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Comprehensive Annual Financial Report



FISCAL YEAR ENDED JUNE 30, 2003



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County of Ventura, California

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2003**



County Auditor-Controller's Office
CHRISTINE L. COHEN, *Auditor-Controller*

County of Los Angeles, California

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2008

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County Auditor-Controller's Office
CHRISTINE A. FORD, Auditor-Controller

COUNTY OF VENTURA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2003

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INTRODUCTORY SECTION



CHRISTINE L. COHEN
AUDITOR-CONTROLLER
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009-1540



CHIEF DEPUTIES
SANDRA BICKFORD
BARBARA J. LOPEZ
JAMES M. TAMEKAZU
LOUISE WEBSTER

November 14, 2003

Honorable Board of Supervisors
County of Ventura
County Government Center
800 South Victoria Avenue
Ventura, California 93009

Members of the Board of Supervisors and
Citizens of the County of Ventura:

The Comprehensive Annual Financial Report (CAFR) of the County of Ventura (County) for the year ended June 30, 2003, is hereby submitted in compliance with the provisions of the State of California Government Code Sections 25250 and 25253. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the County. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and changes in financial position of the various funds of the County. All disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

AUDITS

This CAFR was prepared to satisfy the financial reporting requirements for state and local governments as issued by the Governmental Accounting Standards Board (GASB); specifically GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis — for State and Local Governments* (GASB 34), and subsequent related statements. Further information regarding the reporting requirements can be found in Note 2 of the Notes to the Basic Financial Statements. This is the County's second financial report issued under the new governmental reporting model. Comparative analysis of the financial statements for June 30, 2003 and 2002 can be found in the Management's Discussion and Analysis.

The CAFR has been audited by the independent certified public accounting firm of KPMG LLP (KPMG). The goal of the independent audit was to provide reasonable assurance about whether the basic financial statements of the County for the fiscal year ended June 30, 2003, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. KPMG concluded that the County's annual basic financial statements as contained herein present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, and the discretely presented component unit, each major fund and the aggregate remaining fund information, and the changes in financial position and cash flows, where applicable, of the County of Ventura in conformity with generally accepted accounting principles. The unqualified Independent Auditors' Report is included in the Financial Section of this Comprehensive Annual Financial Report.

The County is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, Findings and Questioned Costs (if applicable), and the independent auditor's reports on internal control and compliance with applicable laws and regulations, are included in a separate annual publication available from the County Auditor-Controller's Office.

THE COUNTY PROFILE AND REPORTING ENTITY

The County of Ventura was approved by the State Legislature on March 22, 1872, effective January 1, 1873. The County was created out of the southeasterly portion of Santa Barbara County. The County covers an area of 1,873 square miles and is 26th in geographic size among California's 58 counties. It is bordered on the north by Kern County, on the northwest by Santa Barbara County, and on the east by Los Angeles County. The Pacific Ocean provides the County's south and southwestern border stretching along 42 miles of coastline.

The County is a General Law County. Policymaking, budget approval, and legislative authority are vested in a five-member Board of Supervisors (Board). Each Supervisor is elected on a nonpartisan basis by geographic districts for four-year staggered terms. On alternating two year elections, either two or three members are elected. The Chair of the Board is elected by the board members to a one-year term.

The County provides a full range of services, including general government (administration, central services, elections, and plant acquisition), public protection (law enforcement, fire protection, watershed protection, County portion of judicial, and detention), public ways and facilities (county service areas and construction and maintenance of roads), health and sanitation (public, behavioral and environmental health), public assistance, and education (libraries). In addition, enterprise funds account for the operations of the Medical Center, Health Care Plan, two airports, Channel Islands Harbor, Harbor expansion, waterworks districts (sanitation and water services), and Parks (recreational activities).

The financial reporting entity (the government) includes all the funds of the primary government (County of Ventura as legally defined), as well as all of its legally separate component units, if applicable. The component units are reported as *blended* when they are in substance part of the primary government or *discretely presented* in a separate column on the government-wide financial statements to emphasize that they are legally separate from the primary government. Note 1 of the Notes to the Basic Financial Statements provides more information on the reporting entity.

There are certain separate legal entities that share the title "County of Ventura," including numerous school and other districts governed by locally elected boards. These entities are autonomous organizations with their own governmental powers. They maintain their own financial records and issue financial statements separate and distinct from those of the County. Accordingly, they are not included in the accompanying financial statements, except as to their assets held by the County, principally cash and investments held by the County Treasurer in the Investment Trust Fund.

FACTORS AFFECTING FINANCIAL CONDITION

Ventura County, historically, has been closely allied with the economy of Southern California and for the calendar year 2003 was continuing to grow at a moderate rate. The County's traditional economic strength in agriculture, food processing, and mineral production is supplemented by the prominence of the service industry, small manufacturing businesses, the electronics industry, tourism, the biotechnology giant, Amgen, and the military presence of the Naval Base Ventura County at Port Hueneme and Point Mugu.

Positive local signs of future growth include retail sales increase of 2.8 percent in 2002 compared to a statewide decrease of 0.1 percent. Additional positive signs include increasing population growth, increase in average

salary, and continued growth along the 101 Tech Corridor in the County. A report by Deloitte & Touche ranks the Fast 50 companies from the Los Angeles region and 25 of the top fifty companies are located along the 101 Tech Corridor. The businesses are diversified relating to internet, health, electronics and video game makers.

The region's crop totals passed \$1.16 billion in 2002 with strawberries leading the way with \$297.9 million. Ventura County crop revenue averaged \$1,600 per acre, California's highest yield per acre for the third consecutive year.

Total wages and salary employment in Ventura County stood at 297,800 jobs as of revised June 2003 which represents an overall decrease of 8,000 jobs from revised June 2002 total of 305,800 jobs, or a 2.6 percent decrease. The job loss is partially attributable to the housing crisis according to the University of California, Santa Barbara, Economic Forecast (UCSB). Over the past year, education and health services added 1,300 jobs while retail trade, financial activities and farming had small increases. Areas of decline include construction and mining, manufacturing, professional and other services, and government. At June 30, 2003, four major job categories continued to lead employment as follows (June 30, 2002 categories provided in parenthesis): services at 35% (27%), government at 15% (15%), retail trade at 12% (17%), and manufacturing at 12% (14%). The June 30, 2003 annual jobless rate increased to 5.2 percent from 4.9 percent last year. The unemployment rate compared favorably to 6.8 percent in California and 6.5 percent in the nation. The UCLA Anderson Forecast predicts moderate growth for California through the end of the year and further improvement in 2004.

California State University, Channel Islands had 2,270 students enrolled for spring 2003 and when the first four-year class graduates in 2007, more than 4,000 students are expected to be enrolled. The first student housing is scheduled to be completed by fall of 2004.

Ventura County's total population is estimated at 791,300 as of January 1, 2003 by the Department of Finance, a 1.4 percent growth over the prior year. The largest city is Oxnard. The fastest growing city was Moorpark at 4.5 percent growth. The California growth rate was 1.7 percent. The County is 12th in population size among California counties. Since 1990, the County has grown 18.3 percent and increased 49.3 percent since the 1980 Census. It is anticipated that the County will experience continued residential growth due to its quality of life, low crime, climate, relatively clean air, and proximity to the Los Angeles metropolitan area.

The total secured assessed valuation increased 8.3 percent in 2002-03 and 8.7 percent in 2003-04. Over a period of time, real estate activity and increases in property values should reflect larger assessed valuations and more property taxes. However, divergent trends of increased demand and slow-growth initiatives are impacting home prices. Save Open-space and Agricultural Resources (SOAR) requires voters to approve new development throughout most cities and the County. Building permits for new residential units increased by 21 percent at June 2003, reversing a decline of 25 percent in 2002.

After many years of controversy, the State purchased the 2,900 acre Ahmanson Ranch in November 2003. This assures increased natural open space. However, the sale also reduces the County's land inventory for residential development. Planned development had projected 3,050 housing units including 774 affordable units.

The median sales price for an existing single-family home in Ventura County was \$458,600 in July 2003, a 15.9 percent increase from a median of \$395,710 in July 2002, according to the California Association of Realtors (CAR). The median sales price for Ventura County new and existing homes and condominiums was a record \$403,000 in July, a 21.8 percent gain from the same month a year ago, according to DataQuick Information Systems. The CAR projects a median home price in California at a record \$414,100 in 2004. The median family income was \$74,700 and the average salary was \$39,324 for 2002 according to UCSB. The relatively high income allows more families to afford homes although low wage sectors have difficulty buying a home. In July only 27 percent of households in the county had the annual income to support the purchase of a median-priced home, a one percent drop from the same month a year ago according to the CAR. Nationwide, about 50 percent of families can afford a median priced home, while in California, that percentage is about 30 percent.

The availability of affordable housing continues to be a critical economic factor. The desirability of living in Ventura County and the diversification of the overall economy are positive factors. Therefore, moderate economic growth is expected into the year 2004.

MAJOR FINANCIAL CHALLENGES

Impacts on Revenues

All fifty-eight California counties are by law created by the State and are political subdivisions of the State. With over half of the County's revenue coming from other governmental units, the economic health of the nation and the State are of extreme importance. The national slowdown of the economy, terrorist threats, and continued war increasing the national deficit have impacted the federal government's financial condition and budget.

California enjoyed the "dot.com" boom for seven or eight years since the last cutbacks in 1992-93. The energy crisis and stock market declines are taking a heavy toll on California's financial condition. The State weathered a \$38 billion deficit for budget year 2003-04 and is currently facing a \$10 billion or more shortfall for budget year 2004-05. The voters recalled the governor in November 2003 and added unbudgeted costs of \$800,000 to Ventura County. Proposed cuts in State funding or large borrowings and other temporary solutions may affect every County program as the State, like counties, must achieve a balanced budget.

The County is responsible for carrying out many programs on behalf of the State, such as public safety policing and detention, CalWORKs and other welfare programs. The County is also responsible for providing a "safety net" for medical treatment, mental health and public health for all citizens. In addition, the County provides municipal type services for the unincorporated portion of the County.

Counties, as part of the State, are historically impacted by State budget shortfalls. During the last State recession in 1992-93 and 1993-94, the State shifted property taxes through the Education Revenue Augmentation Fund (ERAF) from the counties, cities and special districts to schools. The County experienced a 2002-03 loss of \$77 million in property tax revenue to ERAF and has experienced a cumulative loss of \$629 million through June 30, 2003.

A more recent State impact is the delay of payments to the County. The reimbursements for state-mandated programs (SB90) are all deferred. A three-month deferral of two-thirds of vehicle license fee revenue, approximately \$12 million for the first quarter of fiscal year 2003-2004, is being treated by the State as a loan to be repaid in 2006. In addition, the SB855 Disproportionate Share Hospital Program provided a net \$8.7 million to the Medical Center in fiscal year 2001-02. For fiscal year 2002-03, only \$6 million has been received and no estimate of the remaining net receipts for the year was available at the close of field work.

A major issue for counties is limited *discretionary* revenue, such as property taxes, sales taxes, and motor vehicle taxes. All of these sources are dependent on the general economy of the region. Most federal, State and grant revenues may only be used for specific purposes. However, the County depends on discretionary revenue as its only source for funding the required matches to these grant revenues, unfunded state mandates, and central services.

The ability to find new revenue streams continues to be limited by the citizens through the initiative process. Article XIII(A) of the California Constitution limits the maximum ad valorem tax on real property to one percent of "full cash value." Proposition 62 approved in 1986 requires specified Board and electorate approval for certain taxes. Proposition 218 added a constitutional amendment in 1996 that further limits a local government's ability to levy, collect or increase certain taxes, assessments, fees, and charges.

The County has restricted the use of two major revenue streams, public safety sales tax and tobacco settlement. The use of Proposition 172 public safety money, amounting to \$47 million in fiscal year 2002-03, is restricted by State law as well as the County Ordinance 4088 effective May 1995. The special sales tax is used only for public safety departments—sheriff, district attorney, probation services and public defender. The public safety

sales tax revenues provide for about 20 percent of total public safety spending. The Sheriff and District Attorney have sued the County to retain full inflationary increases in departmental funding. The tobacco settlement money is restricted by the October 2000 County ordinance with 100 percent allocated to healthcare purposes. Prior year tobacco settlement revenue amounting to \$15.7 million was set aside in the designation for subsequent years financing. Tobacco Settlement allocations are recommended to the Board of Supervisors by the Tobacco Settlement Oversight and Allocation Committee.

Expenditures

Meanwhile, the expenditure side of the County's budget is becoming more vulnerable. Increased salaries and benefits for market-based average (MBA) adjustments for most represented and unrepresented employees drive increasing costs and future increased retirement benefits. Other pressures include medical malpractice, health insurance and worker's compensation increases. Salaries and benefits, accounting for 43 percent of total County cost, once provided to employees are difficult to restrict due to labor negotiations and equity issues.

The stock market decline has negatively impacted the value of the Ventura County Employees' Retirement Association funds which required the County to resume making retirement employer contributions of \$12 million in fiscal year 2003-04 and approximately \$35 million in fiscal year 2004-05.

A mental health program with increasing caseload of services to school children at an annual cost of \$4 million for the County has been changed by the State legislature from an SB90 mandated program to a program through the Board of Education with contracts for County services.

Impacts on Governmental Fund Balances

The GASB reporting model tends to initially increase fund balance in the General Fund (and other governmental funds) in the fund financial statements. For the year ended June 30, 2003, increases or decreases from June 30, 2002 are recorded in the following areas:

- County agency funds balances continue to be recognized as revenues, deferred revenues or liabilities in the related County governmental and proprietary funds for financial statement purposes at a net increase. The budgetary policy includes County agency revenues when withdrawn from the agency fund. Some of these revenues are budgeted in the fiscal year 2003-04 and some of the revenue is planned to be included in the next fiscal year's (2004-05) budget.
- The County elected to select revenue recognition criteria for revenue accruals in governmental funds. The County *availability period* for the year ended June 30, 2003 was defined for revenue recognition as to be received within six months for all governmental funds. Therefore, certain revenues are not recognized in the fund statements but are recognized in the government-wide statements.
- The County reclassified designated fund balances from reserved to unreserved fund balance for the year ended June 30, 2002, an increase of \$87.9 million to unreserved fund balance for all governmental funds as described in Note 12 of the Notes to the Basic Financial Statements.

For the General Fund at June 30, 2003, total fund balance increased by \$10 million - from \$109 million to \$119 million. Further discussion on fund balance is provided in the MD&A under Financial Analysis of the County Funds - Governmental Funds Summary of Changes in Fund Balances.

INTERNAL AND BUDGETARY CONTROLS

The County maintains an internal control structure designed to ensure that assets of the government are protected from loss, theft, or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss

from unauthorized use or disposition and to ensure the reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. As a recipient of federal and state financial assistance, the County is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to those programs. The Auditor-Controller's Office has begun a program for departments to perform internal control self-assessments.

In accordance with the California Government Code, the County adopts an annual budget for operations. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the department/budget unit and object level of expenditures, except capital assets which are controlled at the sub-object level. The Board has delegated authority to the County Executive Officer to approve appropriation transfers within each department under their authority to allow flexibility in managing their departments. Appropriation transfers between departments must be approved by the Board.

All unencumbered and unexpended appropriations lapse at the end of each fiscal year and become available to finance the next year's budget. Encumbered appropriations are reappropriated in the next year's budget. Encumbrances outstanding at year-end are recorded as reservations of fund balance in the governmental funds. Additional budgetary information is included in the Required Supplementary Information section of the CAFR.

CASH MANAGEMENT POLICIES AND PRACTICES

The Treasury manages a single cash pool for the purpose of increasing interest income through investment activities. Included in the pool are the internal pool component for County related cash and investments recorded in the various funds and an external pool component for other governmental agencies recorded as the Investment Trust Fund. The annualized yield for fiscal year 2002-03 was 2.43 percent. This yield compares favorably with the average yield of United States Treasury bills and notes for the same period.

Pooled investments are stated at fair value in accordance with GASB Statement No. 31. The total cash and investments held by the County Treasurer at June 30, 2003 totaled \$1,276,000. Other cash and investments are held by fiscal agents and in the pension trusts. Further information is available in Note 4 - Cash and Investments in the Notes to the Basic Financial Statements.

DEBT ADMINISTRATION

The County adheres to prudent financial practices regarding all debt financing. The short-term tax and revenue anticipation notes (TRANS) have received ratings of SP-1+ and MIG 1, the highest rating for short-term securities, by Standard & Poor's Corporation and Moody's Investors Services, respectively. The County intends to continue its conservative debt management and use short-term borrowing programs in future years as needed for cash flow purposes between property tax payments.

Voter-approved general obligation bonds outstanding for the Watershed Protection and Waterworks Districts amounted to \$340,000. Total outstanding balances at June 30, 2003 for debt are \$236,590,000 for governmental activities and \$42,221,000 for business-type activities as described in Note 11 - Long-Term Debt in the Notes to the Basic Financial Statements.

Useful indicators of the County's debt position include the following: Ratio of general bonded debt to assessed value 0.000005; amount of bonded debt per capita \$0.43; and legal debt limit \$835,991,000. A ten-year summary of these indicators is provided in the Statistical Section of the CAFR. As noted in the preceding paragraph, general obligation debt is a small portion of the County's total debt.

RISK MANAGEMENT

The County is self-insured for various types of risk including general liability, workers' compensation, property damage, unemployment and long-term disability insurance, and for the deductible on medical malpractice premiums (Note 15). For group health and long-term disability insurance, the Human Resources Department obtained commercially insured plans and the Ventura County Health Care Agency administers a self-insured health plan.

The County records its risk management activities in various internal service and enterprise funds. The revenue received, funded liability reserves, and unrestricted net assets at June 30, 2003 are considered adequate by management to cover the ultimate cost to defend or settle claims arising from these risks.

ON-LINE INFORMATION

Copies of this CAFR, the Single Audit Report, the County Proposed and Final Budgets, and the Tax Rates book may be obtained from the office of the County Auditor-Controller. The CAFR, Adopted Budget, and other documents are also available on the Internet, www.auditor.countyofventura.org. The County's web page, www.countyofventura.org includes information on most County departments as well as interactive sites. Information is available about the Board of Supervisors including email to the Board, the ability to watch live or archived Board meetings, board agendas, County job listings, County directories and general information, voter information, and County permits and forms.

OTHER INFORMATION

Certificate of Achievement The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its Comprehensive Annual Financial Report for the year ended June 30, 2002. This was the 19th consecutive year the County has received this award.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements. We are submitting the current report to GFOA to determine its eligibility for a Certificate of Achievement for Excellence in Financial Reporting for the year ended June 30, 2003

Acknowledgments The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Auditor-Controller's Office. I express my appreciation to members of the Auditor-Controller's Office and our independent auditors, KPMG LLP, all of whom assisted in and contributed to its preparation. I also thank the Board of Supervisors and the County Executive Office for their interest and support in planning and conducting the financial operations of the County in a responsive and effective manner.

Respectfully submitted,



CHRISTINE L. COHEN
Auditor-Controller

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

County of Ventura,
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

COUNTY OF VENTURA
LISTING OF PRINCIPAL OFFICIALS
JUNE 30, 2003

ELECTED OFFICIALS

Board of Supervisors

District #1	Steve Bennett
District #2	Linda Parks
District #3	Kathy I. Long
District #4	Judy Mikels
District #5	John K. Flynn

Other Elected Officials

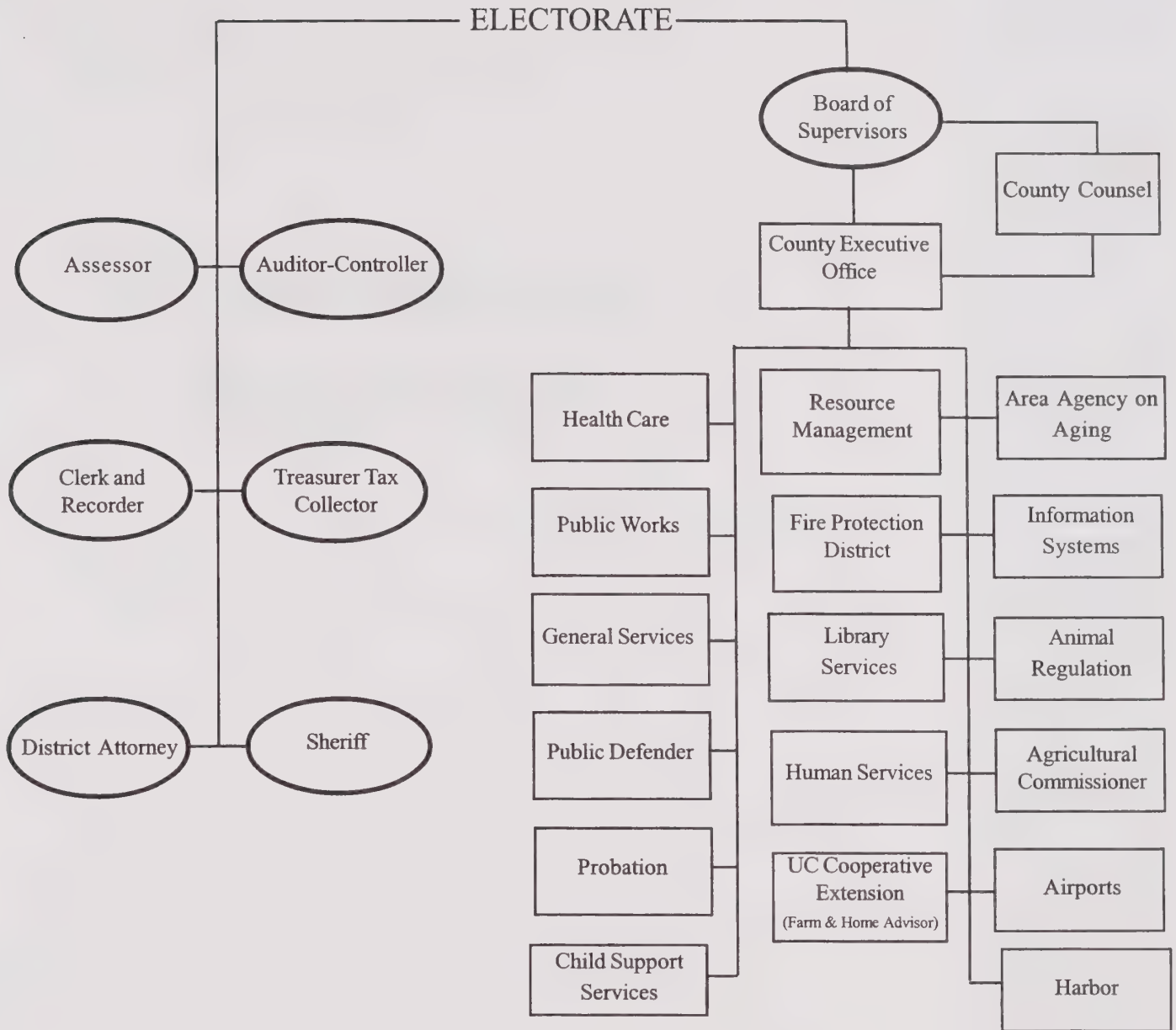
Assessor	Dan Goodwin
Auditor-Controller	Christine L. Cohen
Clerk and Recorder	Philip J. Schmit
District Attorney	Gregory D. Totten
Sheriff	Bob Brooks
Treasurer-Tax Collector/Public Guardian/Public Administrator	Lawrence Matheney

APPOINTED OFFICIALS

Agricultural Commission	W. Earl McPhail
Animal Regulation Department	Kathy Jenks
Area Agency on Aging	Colleen L. House
County Counsel	Frank O. Sieh
County Executive Office	John F. Johnston
Department of Airports	Scott E. Smith
Department of Child Support Services	C. Stanley Trom
Farm Advisor	Lawrence K. Yee
Fire Protection District	Bob Roper
General Services Agency	Paul W. Ruffin
Harbor Department	Lyn Krieger
Health Care Agency	Pierre Durand, DPA
Human Services Agency	Ted Myers
Information Systems Department	J. Matthew Carroll
Library Services Agency	Starrett Kreissman
Probation Agency	Calvin Remington
Public Defender	Kenneth I. Clayman
Public Works Agency	Ronald Coons
Resource Management Agency	Thomas Berg

COUNTY OF VENTURA

ORGANIZATION CHART



Elected

Appointed

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FINANCIAL SECTION





355 South Grand Avenue
Suite 2000
Los Angeles, CA 90071-1568

Independent Auditors' Report

The Honorable Board of Supervisors
County of Ventura, California:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Ventura, California (County), as of and for the year ended June 30, 2003, which collectively comprise the County's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the basic financial statements of the Ventura County Employees' Retirement Association (VCERA), which statements are shown as the Pension Trust Fund and represent approximately 75% of the assets of the Fiduciary Funds. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for VCERA, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the County of Ventura, California as of June 30, 2003 and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 14, 2003 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.



Management's discussion and analysis on pages 19 through 36, the required supplementary information on pages 90 and 97, and the respective budgetary comparison schedules and note on pages 99 through 104 are not required parts of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole. The information in the introductory and statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

KPMG LLP

November 14, 2003

MANAGEMENT'S
DISCUSSION
AND ANALYSIS
(UNAUDITED)



MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the County of Ventura's (County) Comprehensive Annual Financial Report presents a discussion and analysis of the County's financial performance during the fiscal year ended June 30, 2003. Please read it in conjunction with the transmittal letter at the front of this report and the County's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The government-wide assets of the County (governmental and business-type) exceeded liabilities at the close of the 2002-2003 fiscal year by \$1,172,000,000 (*net assets*). Of this amount, \$304,817,000 (*unrestricted net assets*) may be used to meet ongoing obligations to citizens and creditors, \$66,423,000 is restricted for specific purposes (*restricted net assets*), and \$800,760,000 is *invested in capital assets, net of related debt*.
- The government's total net assets increased by \$275,485,000 during fiscal year 2002-03, primarily from governmental activities.
- As of June 30, 2003, the County governmental funds reported combined fund balances of \$310,521,000, an increase of \$20,261,000 in comparison with the prior year. Approximately 78 percent of the combined fund balances may be available to meet the County's current and future needs (*unreserved fund balance*). An analysis is required to determine the revenue status and availability of each fund.
- At the end of the fiscal year, unreserved fund balance for the general fund was \$83,715,000 or 14 percent of total general fund expenditures. The budgetary unreserved, undesignated fund balance on the Adopted Budget for fiscal year 2003-04 was \$13,269,000.
- The County's total long-term debt increased by \$8,016,000 in comparison with the prior year. The debt was primarily decreased by the maturity of pension obligation bonds and increased by the continued financing provided by the County's Tax Exempt Commercial Paper. Major projects funded by such increased debt are the Juvenile Justice Complex Courthouse, the Human Resources Payroll System, and the Ventura County Integrated Justice Information System.

The Management's Discussion and Analysis presents information as follows:

Overview of the Basic Financial Statements	page 20
Government-wide Financial Analysis	page 24
Financial Analysis of the County's Funds	page 28
General Fund Budgetary Highlights	page 33
Capital Assets and Debt Administration	page 33
Other Potentially Significant Matters	page 36
Requests for Information	page 36

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

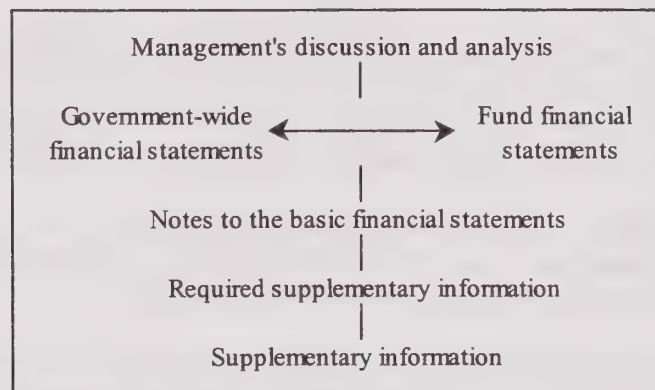
OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the basic financial statements.

Required supplementary information, supplementary information and statistical information are also included in the Comprehensive Annual Financial Report.

The following diagram displays the interrelationships of this report.



Government-wide Financial Statements The financial statements created by Governmental Accounting Standards Board Statement No. 34 (GASB 34) and its related Statements, GASB 37 and 38 and Interpretation No. 6, are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business. The primary change for the *statement of net assets* and *statement of activities* is the use of the flow of economic resources measurement focus and accrual basis of accounting. The focus and basis emphasize the *long-term* view of the County's finances.

The *statement of net assets* presents information on all County assets and liabilities, with the differences between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The government-wide financial statements continue to include the following concepts:

- The government-wide statements include only those funds/entities representing resources available to the County. Therefore, the financial information for the trust funds for Ventura County Employees' Retirement Association (VCERA), Supplemental Retirement Plan (SRP), and the external investment trust are not included in the government-wide financial statements. The financial statements for the discretely presented component unit, Children and Families First Commission (Commission), are provided in a separate column.
- The statement of activities distinguishes functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a portion of their costs through user fees and charges (*business-type activities*).
- In addition the statement of activities compares the direct expenses and program revenue for each governmental function and each segment of business-type activities. The general revenue (non-program revenue) must then cover the net cost of the various activities. The governmental activities of the County include general government, public protection, public ways and facilities, health and sanitation, public assistance, and education. The business-type activities of the County include the hospital, utilities, recreation, airports and medical insurance.
- Because the internal service funds primarily serve the governmental funds, the internal service funds' activity is eliminated with net balances also reported in the governmental activities column. Additional elimination of transfers and activity occur within the governmental activities and within the business-type activities.

Component units are included in the basic financial statements and consist of legally separate entities for which the County is financially accountable. *Blended component units* have substantially the same governing board as the County or provide services entirely to the County and are reported on the fund statements and, if appropriate, as governmental activities on the government-wide financial statements. Examples include the Fire Protection District, the County's Watershed Protection District (flood control), and VCERA. The Commission is reported as a *discretely presented component unit* because the County Board appoints the commission board members to serve at will.

The government-wide financial statements can be found on pages 37-39 of this report.

Fund Financial Statements report on groupings of related funds and accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. A fund is a separate accounting classification with a self-balancing set of accounts. The County, like other state and local governments, uses fund accounting to demonstrate finance-related legal compliance.

There are several new treatments on the fund financial statements since implementation of GASB 34—emphasis on major funds, inclusion of all County agency funds within the applicable funds, and elimination of intra-fund activity.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

- The fund financial statements emphasize *major funds* as determined by minimum criteria set forth in GASB Statement No. 34 with separate columns for each major fund. The non-major funds are presented in an aggregated single column on the governmental funds financial statements. There are five major governmental funds: the General Fund, Roads, Watershed Protection Districts, the Fire Protection District, and the Juvenile Justice Complex. There are three major enterprise funds: Medical Center, Department of Airports and Waterworks Districts. Individual fund data for each of the non-major funds is provided in the form of *combining statements* elsewhere in this report.
- The GASB 34 fund financial statements include all balances of County funds held in agency funds with cash and other accounts recorded within the related fund. The remaining agency funds included in the fund financial statements contain amounts due to others outside of the government, such as property taxes to be distributed.

All of the funds of the County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. The governmental funds include the general fund, special revenue funds, debt service funds, capital projects funds, and permanent fund. However, unlike the government-wide financial statements, governmental funds financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. The focus and basis emphasize the *near-term inflows and outflows of spendable resources*, as well as the balances of *spendable resources available* at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements.

The County maintains over sixty individual governmental funds in its financial system and presents them grouped by related activities as twenty-nine separate governmental funds on this report. The equity for fund financial statements continues to be displayed as reserved and unreserved fund balance. Purchase of capital assets and payment of principal on debt continue to be expensed on fund financial statements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The governmental funds financial statements can be found on pages 40-46 of this report.

Proprietary funds are maintained in two fund types—enterprise funds and internal service funds.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the operations of the Medical Center, Department of Airports, Waterworks Districts, Parks, Channel Islands Harbor Expansion, Channel Islands Harbor, the Ventura County Health Care Plan, and the Oak View School Preservation Fund. Over thirty enterprise funds are reported in the County's financial system and grouped by related activities as eight enterprise funds on this report. The major funds are presented in the proprietary fund financial statements with detail of non-major funds provided in the combining statements in the supplementary information section.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Internal service funds are used to accumulate and allocate costs for services provided to the County's various departments. The County uses internal service funds to account for its public works services, heavy equipment, transportation, general insurance (liability and workers' compensation), information systems, general services, employee benefits insurance, and personnel services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County's eight internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in *combining financial statements* in the supplementary information section.

The proprietary funds financial statements can be found on pages 47-50 of this report.

Fiduciary funds, including the *trust and agency funds*, are used to account for resources held for the benefit of parties outside the government. Trust funds include the VCERA and SRP pension plans and the investment trust fund which includes external users of the County's investment pool, the primary participant being the schools. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting basis used for trust funds is accrual, much like that used for proprietary funds. Agency funds are held for others and report only assets and liabilities.

The fiduciary funds financial statements can be found on pages 51-52 of this report.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. These informative notes can be found on pages 53-96 of this report and are also itemized on the Table of Contents.

Required Supplementary Information is presented including the required pension schedules and the major governmental funds budgetary schedules. The SRP schedule of funding progress and schedule of employer contributions demonstrate the SRP obligation to provide pension benefits to County employees. The VCERA schedules are provided in its own separate financial statements with certain information in Note 13 of the Notes to the Basic Financial Statements.

The County adopts an annual appropriated budget for its governmental funds as required by Government Code. In the required supplementary information section, a budgetary comparison schedule is provided for all the major funds to demonstrate compliance with the final budget. Due to the large number of funds and departments, a separate Departmental Budget Report of Revenues and Expenditures – Budget and Actual on a Budgetary Basis has been prepared. The separate report is at the department/budget unit, function, and object level for those funds for which the County is legally required to adopt a budget. This document is available from the Auditor-Controller's office, 800 South Victoria, Ventura, CA 93009-1540.

Required supplementary information can be found on pages 97-104 of this report.

Supplementary Information includes the combining and individual fund statements, schedules to provide information for non-major governmental funds and enterprise funds and for individual internal service funds beginning on page 105 of this report. Statistical information is also provided beginning on page 151 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The year ended June 30, 2002 was the first period that the County applied Governmental Accounting Standards Board (GASB) Statement No. 34. With this prior year information now available, comparative data for the Management's Discussion and Analysis is available for comparative analyses of the fiscal years 2002-03 and 2001-02 government-wide data.

Government-wide Summary of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County, assets exceeded liabilities by \$1,172,000,000 at the close of the most recent fiscal year. A summary of net assets is as follows:

Summary of Net Assets
June 30, 2003 and 2002
(In Thousands)

	Governmental Activities		Business-type Activities		Total		Percent Change
	2003	2002	2003	2002	2003	2002	
Current and other assets	\$ 604,826	\$ 550,490	\$ 98,610	\$ 100,551	\$ 703,436	\$ 651,041	8%
Capital assets (net)	857,888	612,210	153,589	145,725	1,011,477	757,935	33%
Total assets	<u>\$ 1,462,714</u>	<u>\$ 1,162,700</u>	<u>\$ 252,199</u>	<u>\$ 246,276</u>	<u>\$ 1,714,913</u>	<u>\$ 1,408,976</u>	<u>22%</u>
Current and other liabilities	\$ 241,155	\$ 218,020	\$ 22,947	\$ 23,646	\$ 264,102	\$ 241,666	9%
Long-term liabilities	236,590	228,898	42,221	41,897	278,811	270,795	3%
Total liabilities	<u>477,745</u>	<u>446,918</u>	<u>65,168</u>	<u>65,543</u>	<u>542,913</u>	<u>512,461</u>	<u>6%</u>
Net assets:							
Invested in capital assets, net of related debt	673,941	534,767	126,819	125,176	800,760	659,943	21%
Restricted net assets	51,980	36,106	14,443	21,650	66,423	57,756	15%
Unrestricted net assets	259,048	144,909	45,769	33,907	304,817	178,816	70%
Total net assets (restated)	<u>984,969</u>	<u>715,782</u>	<u>187,031</u>	<u>180,733</u>	<u>1,172,000</u>	<u>896,515</u>	<u>31%</u>
Total liabilities and net assets	<u>\$ 1,462,714</u>	<u>\$ 1,162,700</u>	<u>\$ 252,199</u>	<u>\$ 246,276</u>	<u>\$ 1,714,913</u>	<u>\$ 1,408,976</u>	<u>22%</u>

Net assets include three components: *Invested in capital assets net of related debt, restricted net assets and unrestricted net assets.*

A significant component of the County's net assets of \$800,760,000 (68.3 percent) reflects the County's investment in capital assets net of accumulated depreciation (land, structures, equipment), less any related outstanding debt used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Another component of the County's net assets, restricted net assets of \$66,423,000 (5.7 percent) represents resources that are subject to external restrictions on how they may be used. Unspent proceeds of borrowings for County projects in governmental and business-type activities are offset by restricted net assets. Therefore, these net assets are not available for other uses by the County.

The third portion of the County's net assets represents unrestricted net assets of \$304,817,000 (26.0 percent) which may be used to meet the County's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the County reported positive balances in all three categories of net assets, both for the County as a whole, as well as for its separate governmental and business-type activities.

The County's net assets increased by \$275,485,000 during the current fiscal year primarily as a result of the adjustment for the Watershed Protection Districts' retroactive infrastructure in the approximate amount of \$195,528,000. A reconciliation in the basic financial statements between government-wide and fund financial statements is provided following the Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances for governmental funds and the Statement of Revenues, Expenses and Changes in Net Assets for proprietary funds.

Government-wide Summary of Activities

The following table depicts the revenue, expenses and changes in net assets for governmental and business-type activities. Among the major changes in revenue for the County as a whole were an increase in capital grants and property taxes and a decrease in operating grants. Among major changes to expenses were increased costs recognized in public protection, public ways and facilities, and health and sanitation, as well as Medical Center and Health Care Plan, and decreased costs in general government and education. Other areas showed smaller changes from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

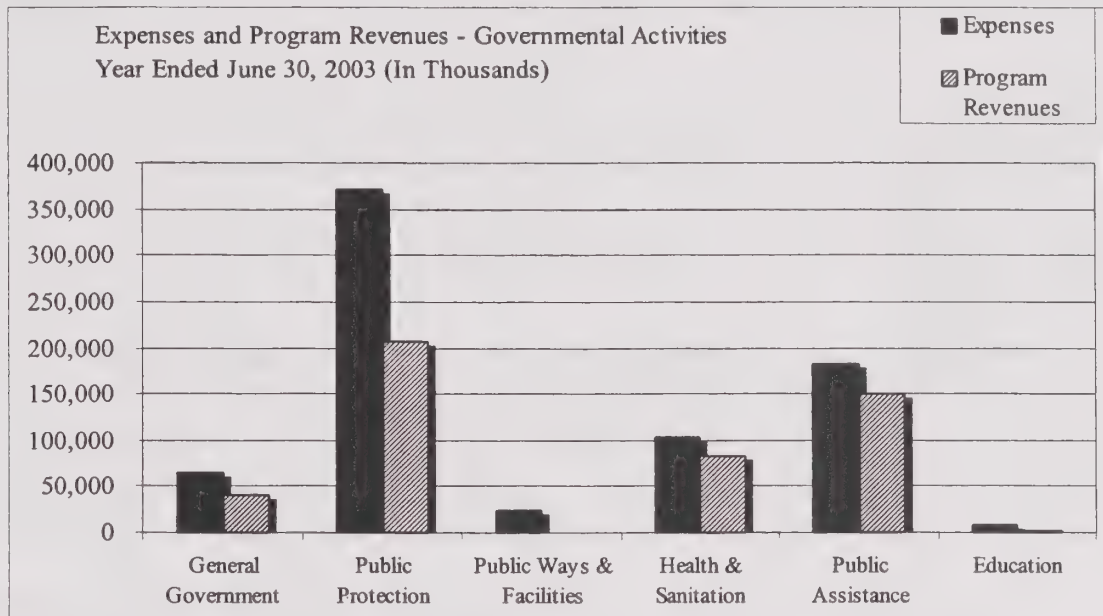
Summary of Activities For the Years Ended June 30, 2003 and 2002 (In Thousands)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2003	2002	2003	2002	2003	2002	
Revenues:							
Program revenues:							
Charges for services	\$ 158,500	\$ 163,050	\$ 166,098	152,310	\$ 324,598	\$ 315,360	3%
Operating grants and contributions	303,513	323,601	277	14	303,790	323,615	(6)%
Capital grants and contributions	20,171	7,181	3,804	2,212	23,975	9,393	155%
General revenues:							
Property taxes	198,771	183,572	63	56	198,834	183,628	8%
Other taxes	20,326	12,560	-	-	20,326	12,560	62%
Motor vehicle in-lieu taxes	58,918	54,388	-	-	58,918	54,388	8%
Aid from other governmental units	34,392	43,301	-	-	34,392	43,301	(21)%
Investment earnings	6,668	11,323	1,155	1,965	7,823	13,288	(41)%
Other	39,704	36,915	(1,312)	(695)	38,392	36,220	6%
Total revenues	840,963	835,891	170,085	155,862	1,011,048	991,753	2%
Expenses:							
General government	65,660	70,010	-	-	65,660	70,010	(6)%
Public protection	393,841	378,410	-	-	393,841	378,410	4%
Public ways and facilities	24,207	16,826	-	-	24,207	16,826	44%
Health and sanitation	102,814	90,213	-	-	102,814	90,213	14%
Public assistance	158,893	156,419	-	-	158,893	156,419	2%
Education	8,047	8,223	-	-	8,047	8,223	(2)%
Interest on long-term debt	12,195	13,342	-	-	12,195	13,342	(9)%
Medical Center	-	-	131,460	122,539	131,460	122,539	7%
Department of Airports	-	-	4,146	3,996	4,146	3,996	4%
Waterworks - Water and Sewer	-	-	16,544	15,375	16,544	15,375	8%
Parks Department	-	-	2,622	2,253	2,622	2,253	16%
Channel Islands Harbor Expansion	-	-	1,077	1,028	1,077	1,028	5%
Channel Islands Harbor	-	-	5,518	4,665	5,518	4,665	18%
Health Care Plan	-	-	15,078	13,609	15,078	13,609	11%
Oakview School Preservation	-	-	81	-	81	-	-
Total expenses	765,657	733,443	176,526	163,465	942,183	896,908	5%
Excess (deficiency) before permanent fund contributions, special items, and transfers	75,306	102,448	(6,441)	(7,603)	68,865	94,845	(27)%
Permanent fund contributions	1,122	-	-	-	1,122	-	-
Special item	9,970	-	-	-	9,970	-	-
Transfers	(12,739)	(9,149)	12,739	9,149	-	-	-
Change in net assets	73,659	93,299	6,298	1,546	79,957	94,845	(16)%
Net assets - July 1, 2002, as restated	911,310	622,483	180,733	179,187	1,092,043	801,670	36%
Net assets - June 30, 2003	\$ 984,969	\$ 715,782	\$ 187,031	\$ 180,733	\$1,172,000	\$ 896,515	31%

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Governmental activities. Governmental activities as reflected in the Statement of Activities increased the County's net assets by \$73,659,000, thereby accounting for 92 percent of the total growth in the County's net assets. The statement of activities displays the direct expenses and the program revenues for the governmental and business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include: 1) charges paid by the recipients of goods or services offered by the programs, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including almost all taxes, are presented as general revenues. Sales tax and vehicle license fees for health and welfare realignment and public safety are defined as program revenue.

The bar chart below depicts the relationships of the governmental direct expenses to program revenues:



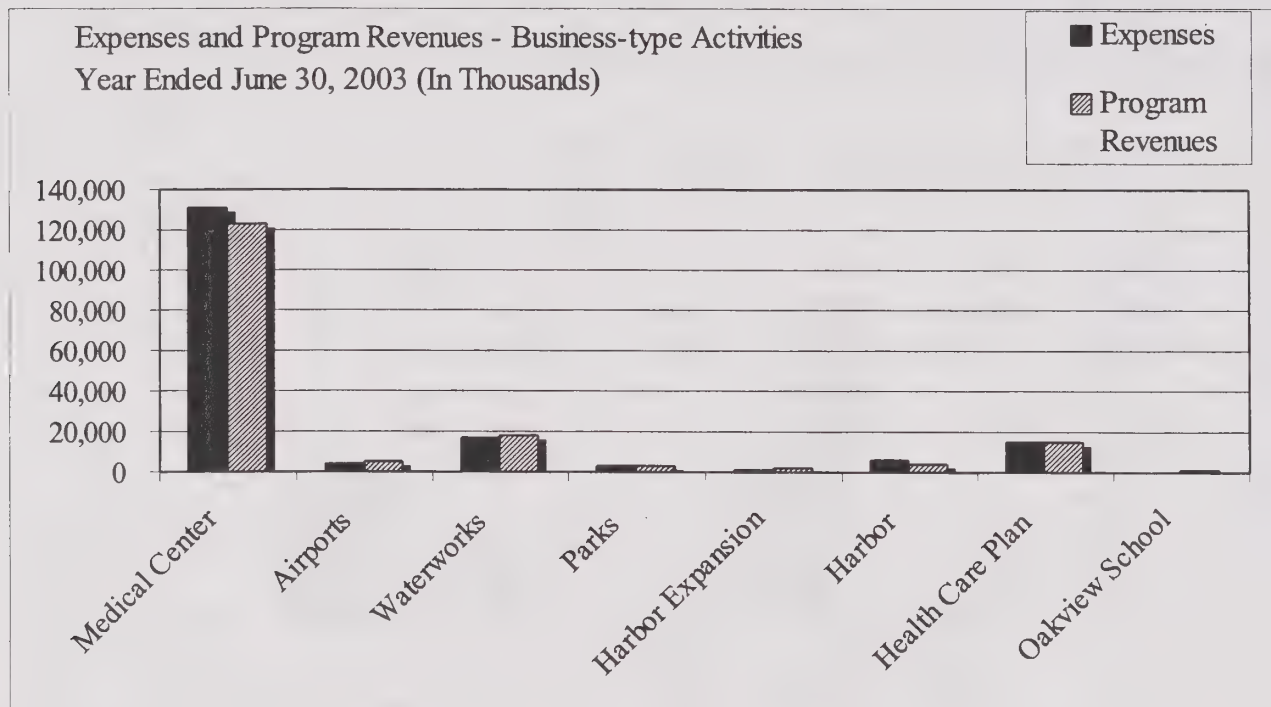
The largest user of general revenues based on the difference between expenses and program revenue is public protection. The public protection revenue includes contract services, operating grants (including Proposition 172 public safety state sales tax), and capital grants. The public protection expenses include depreciation and compensated absences expense (excluded from the budget process) and excludes capital outlay and principal payments (included in the budget process). The detail from the larger departments is as follows (in thousands):

Public Protection Department	Expenses	Revenue	Use of General Revenues	
			General Fund	Other Fund
Sheriff - Policing	\$ 91,742	\$ 52,653	\$ 39,089	\$ -
Sheriff - Detention	64,842	29,716	35,126	-
District Attorney	28,251	12,814	15,437	-
Probation Services	36,099	19,551	16,548	-
Public Defender	9,445	2,451	6,994	-
Fire Protection District	68,585	8,353	-	60,232
Watershed Protection Districts	19,665	12,497	-	7,168
Other Public Protection	75,212	64,395	10,425	392
Total Public Protection	\$ 393,841	\$ 202,430	\$ 123,619	\$ 67,792

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The other public protection area includes over twenty departments: general fund portion of court costs, Indigent Legal Services, Grand Jury, Resource Management Agency (building and safety, planning, and weights and measures), Energy and Environmental Resource, Medical Examiner, Child Support Services, Public Administrator, County Clerk and Recorder, Animal Regulation, Agricultural Commissioner, and others.

Business-type activities. Business-type activities increased net assets by \$6,298,000 or 8 percent of the total growth in the County's net assets. The bar chart below depicts the relationships of the business-type activities direct expenses to program revenues:



FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The County's general government functions are accounted for in the County's general, special revenue, debt service, capital projects, and permanent funds. Included in these funds are the special districts governed by the Board of Supervisors. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved, undesignated fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

At June 30, 2003, the County's governmental funds reported combined fund balances of \$310,521,000, an increase of \$20,261,000 compared with the prior year. The reclassification of designations net of general reserves decreased reserved and increased designated, unreserved fund balances by \$87,925,000. Following this reclassification, the change in total fund balance included a decrease of \$150,000 in *reserved* fund balance, an increase of \$2.5 million in *unreserved, designated* fund balance and an increase of \$17.9 million in *unreserved, undesignated* fund balance as further explained in Note 12 of the Notes to the Basic Financial Statements.

Approximately \$68,872,000, or 22 percent, of the County's combined fund balance is *reserved* indicating that it is *not* available for new spending because it has been committed as follows: 1) to pay debt service (\$16 million); 2) to reflect inventories and other balance sheet accounts that are long-term in nature and thus not representing available spendable resources (\$3.3 million); 3) to liquidate contractual commitments of the period (encumbrances of \$23.6 million); 4) to record available funding that is legally restricted for specific uses (\$19.4 million); and 5) general reserves that are available only in extreme emergencies (\$6.6 million).

The unreserved fund balance includes two components: 1) unreserved designated fund balances previously approved by the Board specifically for future purposes that also represent tentative management plans that are subject to change, (\$90.4 million and 29 percent of the total governmental fund balances) and 2) unreserved, undesignated fund balances for amounts available for use (\$151.2 million and 49 percent of the total governmental fund balances). Detail of reserved and unreserved fund balances are provided in Note 12 of the Notes to the Basic Financial Statements.

The General Fund is the principal operating fund of the County. At June 30, 2003, the general fund's unreserved, undesignated fund balance was \$41,890,000 (as described in Note 12) while total fund balance reached \$119,550,000. As a measure of the general fund's liquidity, it may be useful to compare both unreserved, undesignated fund balance and total fund balance to total general fund expenditures including other financing uses. The County's General Fund unreserved, undesignated fund balance represents 7 percent of total general fund expenditures, while total fund balance represents 20 percent of that same amount.

Governmental Funds Fund Statement Revenues

Revenues for governmental functions totaled approximately \$858,013,000 in fiscal year 2002-2003. The largest sources are aid from other governmental units at 50 percent, taxes at 26 percent and charges for services at 14 percent. The County, like other California counties, is dependent on distributions from state and federal governments for sustaining support. The table below depicts the current year and prior year revenues from various revenue sources:

Revenues Classified by Source Governmental Funds Years Ended June 30, 2003 and 2002 (In Thousands)				
Revenues by Source	June 30 2003	Percent of Total	June 30 2002	Percent of Total
Taxes	\$ 219,097	25.54%	\$ 196,035	23.72%
Licenses, permits, and franchises	15,001	1.75%	11,730	1.42%
Fines, forfeitures, and penalties	15,465	1.80%	16,870	2.04%
Revenues from use of money and property	5,736	0.67%	9,781	1.18%
Aid from other governmental units	426,021	49.65%	430,019	52.03%
Charges for services	117,352	13.68%	105,827	12.81%
Other	59,341	6.91%	56,160	6.80%
Total	<u>\$ 858,013</u>	<u>100.00%</u>	<u>\$ 826,422</u>	<u>100.00%</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Governmental Funds Fund Statement Expenditures

Expenditures for governmental fund functions totaled approximately \$848,743,000. The largest functions are public protection at 46 percent, public assistance (human services) at 19 percent and health and sanitation at 12 percent. The following table presents current year and prior year governmental expenditures by function:

Expenditures By Function
Governmental Funds
Years ended June 30, 2003 and 2002
(In Thousands)

Expenditures by Function	June 30 2003	Percent of Total	June 30 2002	Percent of Total
General government	\$ 62,749	7.39%	\$ 69,009	8.46%
Public protection	390,907	46.06%	372,040	45.58%
Public ways and facilities	22,460	2.65%	15,766	1.93%
Health and sanitation services	98,817	11.64%	89,943	11.02%
Public assistance	165,311	19.48%	156,043	19.12%
Education	8,230	0.97%	8,350	1.02%
Capital outlay	66,337	7.82%	59,948	7.34%
Debt service - Principal retirement	21,915	2.58%	33,275	4.08%
Debt service - Interest and fiscal charges	12,017	1.41%	11,840	1.45%
Total	<u>\$ 848,743</u>	<u>100.00%</u>	<u>\$ 816,214</u>	<u>100.00%</u>

Governmental Funds Fund Statement Financing Sources and Uses

Other financing sources and uses include proceeds of debt, payments to refunding escrow agent, and transfers in and out. The table below depicts current year and prior year other financing sources and uses:

Other Financing Sources (Uses)
Governmental Funds
Years Ended June 30, 2003 and 2002
(In Thousands)

	June 30 2003	Percent of Total	June 30 2002	Percent of Total
Proceeds from sale of capital assets	\$ 1,211	10.99%	\$ -	-
Proceeds from long-term debt	26,047	236.43%	51,842	183.54%
Payment to refunding escrow agent	-	-	(11,766)	(41.66)%
Transfers in	36,643	332.60%	66,640	235.93%
Transfers out	(52,884)	(480.02)%	(78,470)	(277.81)%
Net financing sources (uses)	<u>\$ 11,017</u>	<u>100.00%</u>	<u>\$ 28,246</u>	<u>100.00%</u>

Proceeds of debt represent the governmental funds' share of the issuance of tax exempt commercial papers by the Public Financing Authority. Proceeds from this long-term debt are funding the Juvenile Justice Complex Courthouse, the Human Resources payroll system, the Ventura County Integrated Justice Information System, among others.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Transfers in and out represent the movement of funding for capital projects, lease payments, debt service, and other (\$20,603,000); subsidies of various County operations (\$18,896,000); payments required to qualify for the SB 855 Disproportionate Share Hospital program of the Medical Center (\$14,544,000); and the re-allocation of Health and Welfare realignment and tobacco settlement revenues to provider departments (\$13,819,000). Fund detail is presented in Note 7 in the accompanying Notes to the Basic Financial Statements.

Governmental Funds Fund Statements Summary Changes in Fund Balances

The current year and prior year excess of revenues and other financing sources over expenditures and other financing uses and changes in fund balances in the County governmental funds is presented below:

Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2003
(In Thousands)

	Major Funds					Nonmajor Funds				Total
	General Fund	Roads	Watershed Protection	Fire Protection	Juvenile Justice Complex	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	
Revenues	\$636,353	\$ 29,705	\$ 28,364	\$80,046	\$ 8,963	\$ 52,548	\$ 20,335	\$ 559	\$ 1,140	\$ 858,013
Expenditures	(603,374)	(31,462)	(20,474)	(75,399)	(23,747)	(52,577)	(30,768)	(10,942)	-	(848,743)
Other financing sources (uses), net	(22,494)	(662)	977	(770)	6,763	501	7,120	19,590	(8)	11,017
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	10,485	(2,419)	8,867	3,877	(8,021)	472	(3,313)	9,207	1,132	20,287
Fund balances - July 1, 2002	109,080	47,054	75,061	22,618	2	11,780	19,404	5,261	-	290,260
Change in reserve for inventory	(15)	-	-	(21)	-	10	-	-	-	(26)
Fund balances - June 30, 2003	\$119,550	\$ 44,635	\$ 83,928	\$26,474	\$ (8,019)	\$ 12,262	\$ 16,091	\$ 14,468	\$ 1,132	\$ 310,521

Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2002
(In Thousands)

	Major Funds				Nonmajor Funds			Total
	General Fund	Roads	Watershed Protection	Fire Protection	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	
Revenues	\$ 620,804	\$ 24,774	\$ 30,583	\$72,158	\$ 26,859	\$ 25,250	\$ 25,994	\$ 826,422
Expenditures	(603,746)	(20,030)	(18,150)	(70,564)	(27,722)	(37,738)	(38,264)	(816,214)
Other financing sources (uses), net	(11,702)	(307)	(295)	(372)	(287)	26,983	14,226	28,246
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	5,356	4,437	12,138	1,222	(1,150)	14,495	1,956	38,454
Fund balances - July 1, 2001, as restated	103,689	42,617	62,923	21,337	12,932	4,909	3,307	251,714
Change in reserve for inventory	35	-	-	59	(2)	-	-	92
Fund balances - June 30, 2002	\$ 109,080	\$ 47,054	\$ 75,061	\$22,618	\$ 11,780	\$ 19,404	\$ 5,263	\$ 290,260

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Proprietary Funds Fund Statements The County's proprietary funds provide the same type of information found in the government-wide business-type activity financial statements, but in more detail. The table below depicts current year and prior year Enterprise Fund actual revenues, expenses and changes in net assets:

Summary of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
Year Ended June 30, 2003
(In Thousands)

	Major Funds			Non-major Funds					Total
	Medical Center	Department of Airports	Waterworks Districts	Parks	Harbor Expansion	Harbor	Health Care Plan	Oakview School Preservation	
Operating revenues	\$ 122,878	\$ 3,547	\$ 16,239	\$ 2,122	\$ 1,617	\$ 4,283	\$ 15,274	\$ 138	\$ 166,098
Operating expenses	(130,463)	(4,100)	(16,310)	(2,602)	(953)	(5,442)	(15,067)	(67)	(175,004)
Operating income (loss)	(7,585)	(553)	(71)	(480)	664	(1,159)	207	71	(8,906)
Non-operating revenues (expenses), net	(287)	1,166	2,510	(1,081)	(17)	169	67	489	3,016
Income (loss) before transfers	(7,872)	613	2,439	(1,561)	647	(990)	274	560	(5,890)
Transfers	12,022	-	(46)	265	-	488	-	10	12,739
Increase (decrease) in net assets	4,150	613	2,393	(1,296)	647	(502)	274	570	6,849
Net assets - beginning	34,761	34,439	86,402	13,858	5,359	4,830	1,146	-	180,795
Net assets - ending	\$ 38,911	\$ 35,052	\$ 88,795	\$ 12,562	\$ 6,006	\$ 4,328	\$ 1,420	\$ 570	\$ 187,644

Summary of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
Year Ended June 30, 2002
(In Thousands)

	Major Funds			Non-major Funds				Total
	Medical Center	Department of Airports	Waterworks Districts	Parks	Harbor Expansion	Harbor	Health Care Plan	
Operating revenues	\$ 112,198	\$ 3,680	\$ 15,851	\$ 1,821	\$ 1,471	\$ 4,245	\$ 13,044	\$ 152,310
Operating expenses	(121,475)	(3,974)	(15,361)	(2,247)	(902)	(4,645)	(13,596)	(162,200)
Operating income (loss)	(9,277)	(294)	490	(426)	569	(400)	(552)	(9,890)
Non-operating revenues (expenses), net	(795)	1,538	907	421	54	119	105	2,349
Income (loss) before transfers	(10,072)	1,244	1,397	(5)	623	(281)	(447)	(7,541)
Transfers	8,521	-	(51)	315	(446)	810	-	9,149
Increase (decrease) in net assets	(1,551)	1,244	1,346	310	177	529	(447)	1,608
Net assets - beginning, restated	36,312	33,195	85,056	13,548	5,182	4,301	1,593	179,187
Net assets - ending	\$ 34,761	\$ 34,439	\$ 86,402	\$ 13,858	\$ 5,359	\$ 4,830	\$ 1,146	\$ 180,795

The net loss before transfers of (\$5,890,000) for all enterprise funds resulted primarily from a net loss of (\$7,872,000) for the Medical Center. The net loss for the Medical Center before contributions and transfers decreased by \$2,200,000 when compared to the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

GENERAL FUND BUDGETARY HIGHLIGHTS

Original Budget Compared to Final Budget, June 30, 2003

Appropriations for the General Fund final budget, including transfers out, exceeded the original budget by \$32,093,000. Some of the larger changes are summarized below.

Approximately \$10,145,000 of the increase was attributable to higher estimates of services and supplies expenditures related to various public assistance, health, and public protection programs. Other charges increased by approximately \$7,382,000 primarily due to a higher estimate of intergovernmental transfers to the State relating to the SB 855 Disproportionate Share Hospital program. Transfers out increased by approximately \$13,778,000 largely resulting from transfers to the Medical Center of tobacco settlement funding and transfers to non-major governmental funds for debt service.

Estimated revenues for the General Fund final budget, including transfers in, exceeded the original budget by \$29,287,000. The larger changes are described as follows: Aid from other governmental units increased by \$8,682,000 as a result of increased funding for various public protection, public assistance, and health programs; proceeds from debt increased by \$10,888,000 primarily due to financing for the Human Resources Payroll System and public facilities improvements on Lewis Road; and transfers in increased by \$6,031,000 primarily related to the SB 855 program.

Final Budget Compared to Actual Expenditures and Revenues, June 30, 2003

The final budget appropriations exceeded actual expenditures including transfers out by \$56,658,000 while the final budget estimated revenues exceeded actual revenues including transfers in by \$39,475,000. The resulting combined positive budgetary variance was \$17,183,000. The largest revenue shortage was \$22,339,000 in aid from other governmental units due to related expenditures not incurred. The largest expenditure savings were \$34,228,000 in services and supplies and \$9,568,000 in salaries and benefits.

Budgetary information is included in the Required Supplementary Information (RSI) section including Notes to the RSI.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - Government-wide Financial Statements

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2003, (at cost) amounted to \$1,332,058,000 or \$1,011,477,000 (net of accumulated depreciation). This investment in capital assets includes land and land improvements, structures and improvements, equipment, vehicles, infrastructure, and construction in progress. The total increase in the County's investment in capital assets for the current period was 6 percent.

For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Governmental fund financial statements record capital asset purchases as expenditures.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year (in thousands):

	Governmental activities		Business-type activities		Total		Increase
	2002				2002		Percent
	2003	(as restated)	2003	2002	2003	(as restated)	of Change
Land and improvements	\$ 208,319	\$ 208,138	\$ 48,965	\$ 45,324	\$ 257,284	\$ 253,462	1.51%
Structures and improvements	275,469	268,827	125,823	119,915	401,292	388,742	3.23%
Equipment	98,423	80,405	27,175	21,838	125,598	102,243	22.84%
Vehicles	60,829	58,532	529	529	61,358	59,061	3.89%
Infrastructure	340,951	340,944	-	-	340,951	340,944	0.00%
Construction in progress	111,065	74,847	34,510	35,853	145,575	110,700	31.50%
Total	<u>\$ 1,095,056</u>	<u>\$ 1,031,693</u>	<u>\$ 237,002</u>	<u>\$ 223,459</u>	<u>\$ 1,332,058</u>	<u>\$ 1,255,152</u>	<u>6.13%</u>

Capital assets for the year ended June 30, 2002 were restated to include the early implementation of the Watershed Protection District retroactive infrastructure in the amount of \$195,528,000.

Major capital asset events during the current fiscal year included the following:

Construction in progress had a net increase of \$34,875,000. Additions included the Juvenile Justice Complex project (\$23,765,000), Juvenile Justice Courthouse project (\$3,401,000), watershed protection project (\$3,581,000), medical center improvements (\$5,787,000), road construction projects (\$9,123,000), fire protection district projects (\$3,658,000), and various other projects (\$22,434,000). Construction in progress was reduced by \$36,874,000 including transfers of completed projects of \$35,315,000 to structures and improvements and equipment.

The County's infrastructure assets for both the watershed protection network and the roads network are recorded at historical cost in the government-wide financial statements as required by GASB Statement No. 34.

Additional information on capital asset activity is provided in Note 8 - Capital Assets in the Notes to the Basic Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Debt Administration - Government-wide Financial Statements

At June 30, 2003, the County had total debt outstanding of \$222,570,000, excluding capital leases, compensated absences and other liabilities. The following table summarizes the categories of debt. During the year, retirement of debt amounted to \$25,664,000. Additions amounted to \$29,415,000. The following table summarizes the debt outstanding balances at June 30, 2003 and 2002 (in thousands):

	Governmental Activities	Business-type Activities	June 30, 2003 Total	June 30, 2002 Total
General obligation bonds	\$ 295	\$ 45	\$ 340	\$ 665
Certificates of participation and lease revenue bonds	52,823	30,587	83,410	87,494
Tax exempt commercial paper	40,314	3,485	43,799	23,800
Loans payable	1,666	4,055	5,721	3,680
Pension obligation bonds	89,300	-	89,300	103,180
Total	\$ 184,398	\$ 38,172	\$ 222,570	\$ 218,819

For the fiscal year 2002-03 County debt limit is determined by statute at 1.25 percent of total assessed valuation or approximately \$835,991,000. The general bonded debt per capita is \$0.43. The general obligation debt subject to the debt limit is \$222,570,000 which is under the limit by \$613,421,000.

The County's debt utilization policy establishes the review process by the Financial Planning Committee before submission to the Board of Supervisors and central coordination by the County Executive Officer. The policy outlines a fiscally conservative basis for borrowing to include short-term needs and borrowing for certain assets with substantial economic lives. The benchmarks include County debt outstanding at less than one percent of the assessed valuation and debt service payments not greater than six per cent of total General Fund expenditures.

The County, like other local governments, has an annual borrowing program which finances operations during periods of low cash flows due to periodic collection dates for property taxes. On July 3, 2002, the County issued \$105,000,000 in Tax and Revenue Anticipation Notes (TRANs). Standard & Poor's Corporation and Moody's Investors Services gave the TRANs the highest rating for short-term securities of SP-1+ and MIG 1, respectively. At June 30, 2003, the outstanding balance was \$105,000,000 that was paid with interest on July 2, 2003, the maturity date of the notes.

Additional information on long-term debt activity is provided in Note 11 - Long-Term Debt in the Notes to the Basic Financial Statements.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

OTHER POTENTIALLY SIGNIFICANT MATTERS

The economic health of the federal and state governments will impact the county governments due to changes in funding levels and program requirements. While facing possible cuts in aid from other governmental units (the source of about one-half of County funding), the County also is facing upward pressures on expenditures: salary and benefit increases related to negotiated agreements, the reinstatement of full required retirement contributions after partial payment in the year ended June 30, 2003 following four years with no required contribution; increasing benefit costs for health insurance and workers' compensation insurance; and the opening of the new Juvenile Justice Complex requiring increased operational funding.

Additional information is provided in Note 16 Contingencies and Note 17 Subsequent Events in the Notes to the Basic Financial Statements, as well as the transmittal letter on page 5 of this report.

REQUESTS FOR INFORMATION

County information is on-line at www.countyofventura.org.

The financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Further requests for information on this report or for the separate reports for the Public Facilities Corporation or the Public Financing Authority should be addressed to the Auditor-Controller, 800 South Victoria Avenue, Ventura, CA 93009-1540.

Questions concerning any of the information provided in this report regarding the discretely presented component unit, Children and Families First Commission, or requests for additional information should be addressed to the Executive Director, 2850 East Main Street, Suite 302, Ventura, CA 93003.

Questions concerning any of the information provided in this report or requests for addition information on the separate financial report of VCERA should be addressed to the Retirement Administrator, 1190 South Victoria Avenue, Suite 200, Ventura, CA 93003-6572.

BASIC FINANCIAL STATEMENTS



COUNTY OF VENTURA
STATEMENT OF NET ASSETS
JUNE 30, 2003
(In Thousands)

	Primary Government			Discretely Presented Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments (Note 4)	\$ 501,689	\$ 60,510	\$ 562,199	\$ 42,563
Receivables (net)	83,321	24,589	107,910	2,021
Internal balances	1,230	(1,230)	-	-
Due from primary government (Note 7)	-	-	-	52
Due from other governmental agencies (Note 7)	2,141	2	2,143	-
Inventories and other assets	4,229	1,032	5,261	23
Notes and loans receivable	10,818	308	11,126	-
Advances to other funds	100	-	100	-
Deferred charges	544	380	924	-
Unamortized bond discount	303	-	303	-
Restricted cash and investments (Note 4)	451	13,019	13,470	-
Capital assets (Note 8):				
Nondepreciable	319,147	54,770	373,917	-
Depreciable, net	538,741	98,819	637,560	-
Total assets	<u>\$ 1,462,714</u>	<u>\$ 252,199</u>	<u>\$ 1,714,913</u>	<u>\$ 44,659</u>
LIABILITIES				
Accounts payable	\$ 25,988	\$ 7,944	\$ 33,932	\$ 2,108
Tax and revenue anticipation notes payable (Note 14)	105,000	-	105,000	-
Accrued liabilities (Note 9)	49,677	6,320	55,997	20
Due to component unit (Note 7)	52	-	52	-
Due to other government agencies (Note 7)	940	-	940	-
Deferred revenue	18,164	1,196	19,360	-
Unamortized bond premium	1,553	-	1,553	-
Accrued insurance losses (Note 15)	39,781	2,337	42,118	-
Medical malpractice liability (Note 15)	-	4,206	4,206	-
Deposits	-	236	236	-
Other liabilities	-	608	608	-
Advances from other funds	-	100	100	-
Long-term liabilities (Note 11):				
Due within one year	46,823	4,815	51,638	-
Due beyond one year	189,767	37,406	227,173	-
Total liabilities	<u>477,745</u>	<u>65,168</u>	<u>542,913</u>	<u>2,128</u>
NET ASSETS				
Invested in capital assets, net of related debt (Notes 8 & 11)	673,941	126,819	800,760	-
Restricted (Note 12)	51,980	14,443	66,423	5
Unrestricted	259,048	45,769	304,817	42,526
Total net assets	<u>984,969</u>	<u>187,031</u>	<u>1,172,000</u>	<u>42,531</u>
Total liabilities and net assets	<u>\$ 1,462,714</u>	<u>\$ 252,199</u>	<u>\$ 1,714,913</u>	<u>\$ 44,659</u>

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ 65,660	\$ 8,824	\$ 21,956	\$ 12,993
Public protection	393,841	108,505	91,539	2,386
Public ways and facilities	24,207	797	(958)	-
Health and sanitation services	102,814	37,003	46,923	-
Public assistance	158,893	2,365	143,740	4,678
Education	8,047	1,006	313	114
Interest on long-term debt	12,195	-	-	-
Total governmental activities	<u>765,657</u>	<u>158,500</u>	<u>303,513</u>	<u>20,171</u>
Business-type activities:				
Medical Center	131,460	122,878	-	-
Department of Airports	4,146	3,547	-	1,104
Waterworks - Water	12,957	13,974	(325)	932
Waterworks - Sewer	3,587	2,265	-	1,134
Parks Department	2,622	2,122	427	139
Channel Islands Harbor Expansion	1,077	1,617	-	-
Channel Islands Harbor	5,518	4,283	175	-
Health Care Plan	15,078	15,274	-	-
Oakview School Preservation	81	138	-	495
Total business-type activities	<u>176,526</u>	<u>166,098</u>	<u>277</u>	<u>3,804</u>
Total primary government	<u>\$ 942,183</u>	<u>\$ 324,598</u>	<u>\$ 303,790</u>	<u>\$ 23,975</u>
Component unit:				
Children and Families First Commission	<u>\$ 7,842</u>	<u>\$ -</u>	<u>\$ 10,710</u>	<u>\$ -</u>

General revenues:

Taxes:

 Property taxes

 Property transfer taxes

 Sales and use taxes

Aid from other governmental units

Other

Motor vehicle in-lieu taxes

Investment earnings

Loss on disposal of capital assets

Permanent fund contributions

Special item-sale of real property

Transfers

 Total general revenues, permanent fund contributions, special item, and transfers

 Change in net assets

Net assets - July 1, 2002, as reported

Adjustment for Watershed Protection Districts retroactive infrastructure

Net assets - July 1, 2002, as restated

Net assets - June 30, 2003

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

Net (Expenses) Revenues and Changes in Net Assets: Primary Government			Discretely Presented Component Unit	
Governmental Activities	Business- type Activities	Total		
\$ (21,887)	\$ -	\$ (21,887)	\$ -	Functions/Programs:
(191,411)	-	(191,411)	-	Primary government:
(24,368)	-	(24,368)	-	Governmental activities:
(18,888)	-	(18,888)	-	General government
(8,110)	-	(8,110)	-	Public protection
(6,614)	-	(6,614)	-	Public ways and facilities
(12,195)	-	(12,195)	-	Health and sanitation services
(283,473)	-	(283,473)	-	Public assistance
				Education
				Interest on long-term debt
				Total governmental activities
-	(8,582)	(8,582)	-	Business-type activities:
-	505	505	-	Medical Center
-	1,624	1,624	-	Department of Airports
-	(188)	(188)	-	Waterworks - Water
-	66	66	-	Waterworks - Sewer
-	540	540	-	Parks Department
-	(1,060)	(1,060)	-	Channel Islands Harbor Expansion
-	196	196	-	Channel Islands Harbor
-	552	552	-	Health Care Plan
-	(6,347)	(6,347)	-	Oakview School Preservation
(283,473)	(6,347)	(289,820)		Total business-type activities
				Total primary government
			2,868	Component unit:
				Children and Families First Commission
198,771	63	198,834	-	
5,410	-	5,410	-	
14,916	-	14,916	-	
34,392	-	34,392	-	
41,026	300	41,326	-	
58,918	-	58,918	-	
6,668	1,155	7,823	867	
(1,322)	(1,612)	(2,934)	-	
1,122	-	1,122	-	
9,970	-	9,970	-	
(12,739)	12,739	-	-	
357,132	12,645	369,777	867	
73,659	6,298	79,957	3,735	
715,782	180,733	896,515	38,796	
195,528	-	195,528	-	
911,310	180,733	1,092,043	38,796	
\$ 984,969	\$ 187,031	\$ 1,172,000	\$ 42,531	

COUNTY OF VENTURA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003
(In Thousands)

	Total	General Fund	Roads
<u>ASSETS</u>			
Cash and investments (Note 4)	\$ 439,409	\$ 235,322	\$ 45,994
Receivables, net (Note 6)	65,390	53,310	2,664
Due from other funds (Note 7)	19,228	15,538	83
Inventories and other assets	2,041	1,165	-
Loans receivable	2,059	975	-
Notes receivable	8,759	-	-
Advances to other funds	100	-	-
Total assets	<u>\$ 536,986</u>	<u>\$ 306,310</u>	<u>\$ 48,741</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 20,904	\$ 13,707	\$ 1,052
Accrued liabilities (Note 9)	48,034	44,532	130
Tax and revenue anticipation notes payable (Note 14)	105,000	105,000	-
Due to other funds (Note 7)	26,453	7,246	2,523
Due to component unit	52	52	-
Deferred revenue	26,022	16,223	401
Total liabilities	<u>226,465</u>	<u>186,760</u>	<u>4,106</u>
<u>FUND BALANCES (DEFICIT)</u>			
Reserved (Note 12)	68,872	35,835	4,310
Unreserved, reported in:			
General fund	83,715	83,715	-
Special revenue funds	151,475	-	40,325
Capital projects funds	6,449	-	-
Permanent fund	10	-	-
Total fund balances (deficit)	<u>310,521</u>	<u>119,550</u>	<u>44,635</u>
 Total liabilities and fund balances	 <u>\$ 536,986</u>	 <u>\$ 306,310</u>	 <u>\$ 48,741</u>

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003
(In Thousands)

Watershed Protection Districts	Fire Protection District	Juvenile Justice Complex	Non-Major Governmental Funds	
\$ 83,650	\$ 25,698	\$ 493	\$ 48,252	ASSETS
2,844	2,603	-	3,969	Cash and investments (Note 4)
231	818	481	2,077	Receivables, net (Note 6)
-	846	-	30	Due from other funds (Note 7)
-	-	-	1,084	Inventories and other assets
8,759	-	-	-	Loans receivable
-	-	-	100	Notes receivable
\$ 95,484	\$ 29,965	\$ 974	\$ 55,512	Advances to other funds
				Total assets
				LIABILITIES
\$ 355	\$ 1,500	\$ 716	\$ 3,574	Accounts payable
165	1,490	-	1,717	Accrued liabilities (Note 9)
-	-	-	-	Tax and revenue anticipation notes payable
1,974	486	8,154	6,070	Due to other funds (Note 7)
-	-	-	-	Due to component unit
9,062	15	123	198	Deferred revenue
11,556	3,491	8,993	11,559	Total liabilities
				FUND BALANCES (DEFICIT)
3,011	7,136	-	18,580	Reserved (Note 12)
-	-	-	-	Unreserved, reported in:
80,917	19,338	-	10,895	General fund
-	-	(8,019)	14,468	Special revenue funds
-	-	-	10	Capital projects funds
83,928	26,474	(8,019)	43,953	Permanent fund
\$ 95,484	\$ 29,965	\$ 974	\$ 55,512	Total fund balances (deficit)
				Total liabilities and fund balances

(Continued)

COUNTY OF VENTURA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS - GOVERNMENTAL ACTIVITIES
JUNE 30, 2003
(In Thousands)
(Continued)

Fund balances - total governmental funds **\$ 310,521**

Amounts reported for governmental activities in the
statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	819,695	
Capital assets reported in internal service funds (1)	<u>38,193</u>	857,888
Other long-term assets are not available to pay for current-period expenditures and, therefore, are not reported as revenues in the governmental funds.		
Long-term receivables - governmental funds	16,232	
Receivables - internal service funds (1)	<u>1,699</u>	17,931
Deferred charges	544	
Unamortized bond discount	<u>303</u>	18,778

Internal service funds are used by management to charge the costs of management of fleet maintenance, construction projects, maintenance of telecommunication network and computer-assisted systems, building maintenance and security, graphics, mailroom and purchasing, worker's compensation, long-term disability, employee benefits, personal injury and property damage, and medical malpractice to individual funds. The assets and liabilities are included in governmental activities in the statement of net assets. (1)	15,213
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Recognition of deferred revenue	8,759
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

General obligation bonds	(295)	
Certificates of participation	(48,658)	
Tax exempt commercial paper	(37,200)	
Loans payable	(1,666)	
Pension obligation bonds	(89,300)	
Compensated absences	(45,109)	
Other liabilities	(1,007)	
Accrued interest payable	(1,532)	
Unamortized bond premium	<u>(1,423)</u>	<u>(226,190)</u>

Net assets of governmental activities **\$ 984,969**

(1) \$55,105 comprise internal service funds' net assets including an adjustment of \$613 for the allocation of losses to business-type activities.

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COUNTY OF VENTURA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	Total	General Fund	Roads
Revenues:			
Taxes	\$ 219,097	\$ 127,791	\$ 7,383
Licenses, permits, and franchises	15,001	13,574	207
Fines, forfeitures, and penalties	15,465	15,082	264
Revenues from use of money and property	5,736	2,073	488
Aid from other governmental units	426,021	348,070	18,174
Charges for services	117,352	102,624	-
Other	59,341	27,139	3,189
Total revenues	<u>858,013</u>	<u>636,353</u>	<u>29,705</u>
Expenditures:			
Current:			
General government	62,749	62,687	-
Public protection	390,907	277,048	-
Public ways and facilities	22,460	-	22,326
Health and sanitation services	98,817	98,817	-
Public assistance	165,311	149,335	-
Education	8,230	600	-
Capital outlay	66,337	11,725	9,136
Debt service:			
Principal retirement	21,915	-	-
Interest and fiscal charges	12,017	3,162	-
Total expenditures	<u>848,743</u>	<u>603,374</u>	<u>31,462</u>
Excess (deficiency) of revenues over expenditures	<u>9,270</u>	<u>32,979</u>	<u>(1,757)</u>
Other financing sources (uses):			
Proceeds from sale of capital assets	1,211	-	-
Proceeds of long-term debt	26,047	675	-
Transfers in	36,643	15,190	-
Transfers out	(52,884)	(38,359)	(662)
Total other financing sources (uses)	<u>11,017</u>	<u>(22,494)</u>	<u>(662)</u>
Net change in fund balances	20,287	10,485	(2,419)
Fund balances - beginning	290,260	109,080	47,054
Change in reserve for inventory	<u>(26)</u>	<u>(15)</u>	<u>-</u>
Fund balances (deficit) - ending	<u>\$ 310,521</u>	<u>\$ 119,550</u>	<u>\$ 44,635</u>

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

Watershed Protection Districts	Fire Protection District	Juvenile Justice Complex	Non-Major Governmental Funds
\$ 10,924	\$ 66,001	\$ -	\$ 6,998
166	689	-	365
69	43	-	7
1,806	394	-	975
2,780	8,137	9,000	39,860
11,603	535	-	2,590
1,016	4,247	(37)	23,787
<u>28,364</u>	<u>80,046</u>	<u>8,963</u>	<u>74,582</u>
-	-	-	62
16,885	68,946	-	28,028
-	-	-	134
-	-	-	-
-	-	-	15,976
-	-	-	7,630
3,589	6,430	23,747	11,710
-	-	-	21,915
-	23	-	8,832
<u>20,474</u>	<u>75,399</u>	<u>23,747</u>	<u>94,287</u>
<u>7,890</u>	<u>4,647</u>	<u>(14,784)</u>	<u>(19,705)</u>
1,211	-	-	-
-	-	-	25,372
-	-	6,763	14,690
(234)	(770)	-	(12,859)
<u>977</u>	<u>(770)</u>	<u>6,763</u>	<u>27,203</u>
8,867	3,877	(8,021)	7,498
75,061	22,618	2	36,445
-	(21)	-	10
<u>\$ 83,928</u>	<u>\$ 26,474</u>	<u>\$ (8,019)</u>	<u>\$ 43,953</u>

Revenues:

Taxes
Licenses, permits, and franchises
Fines, forfeitures, and penalties
Revenues from use of money and property
Aid from other governmental units
Charges for services
Other
Total revenues

Expenditures:

Current:

General government
Public protection
Public ways and facilities
Health and sanitation services
Public assistance
Education
Capital outlay
Debt service:
Principal retirement
Interest and fiscal charges
Total expenditures

Excess (deficiency) of revenues over expenditures

Other financing sources (uses):

Proceeds from sale of capital assets
Proceeds of long-term debt
Transfers in
Transfers out
Total other financing sources (uses)

Net change in fund balances

Fund balances - beginning
Changes in reserve for inventory

Fund balances (deficit) - ending

(Continued)

COUNTY OF VENTURA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

(In Thousands)

(Continued)

Net change in fund balances - total governmental funds **\$20,287**

Amounts reported for governmental activities in the
statement of activities are different because:

Governmental funds report capital outlay as expenditures. However,
in the statement of activities, the cost of those assets is allocated over
their estimated useful lives and reported as depreciation expense.

Expenditures for general capital assets, infrastructure, and other related capital assets adjustment	66,369	
Less loss from disposal of capital assets	(986)	
Less current year depreciation	<u>(15,282)</u>	50,101

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		13,851
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Bond issuance costs, discounts, and premiums are expenditures in the
governmental funds but are reported as deferred charges and unamortized
bond discounts and premiums in the statement of activities and amortized
over the term of the bond.

Deferred charges - amortization	(42)	
Unamortized bond discounts - amortization	(23)	
Unamortized bond premiums - amortization	<u>108</u>	43

Repayment of debt principal is an expenditure in the governmental funds,
but the repayment reduces long-term liabilities in the statement of net assets.

Principal repayments:

General obligation bonds	280	
Certificates of participation	2,226	
Revenue bonds	200	
Tax exempt commercial paper	5,305	
Loans payable	24	
Pension obligation bonds	<u>13,880</u>	21,915

Proceeds from long-term debt are reported as other financing sources in the
governmental funds, but increase long-term liabilities in the statement of
net assets.

Certificates of participation	(24,695)	
Tax exempt commercial paper	<u>(1,352)</u>	(26,047)

Some expenses reported in the statement of activities do not require the
use of current financial resources and, therefore, are not reported as
expenditures in governmental funds.

Accrued interest expense	(21)	
Change in other liabilities	(186)	
Change in compensated absences	<u>(3,635)</u>	(3,842)

Internal service funds are used by management to charge the costs of certain
activities to individual funds. The net expense of certain activities of the
internal service funds is reported with governmental activities. (1)

(2,649)

Change in net assets of governmental activities		<u>\$ 73,659</u>
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(1) Decrease in internal service funds' (ISF) net assets (\$3,200) adjusted for the reversal of the prior year accrual (\$62) and the current
year accrual of \$613, which represents the allocated share of ISF losses chargeable to business-type activities.

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF FUND NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2003
(In Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Total Enterprise Funds	Medical Center	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash and investments (Note 4)	\$ 60,510	\$ 12,774	\$ 4,671	\$ 32,372	\$ 10,693	\$ 62,280
Receivables, net (Note 6)	24,589	19,853	737	2,331	1,668	1,699
Due from other funds (Note 7)	1,287	577	9	362	339	10,221
Inventories and other assets	1,032	522	103	373	34	2,188
Restricted assets (Note 12)	13,019	11,343	-	-	1,676	451
Deferred charges	380	380	-	-	-	-
Total current assets	100,817	45,449	5,520	35,438	14,410	76,839
Noncurrent assets:						
Long-term receivables	308	-	308	-	-	-
Capital assets (Note 8):						
Nondepreciable:						
Land	20,260	396	8,060	2,272	9,532	64
Construction in progress	34,510	16,025	1,489	15,853	1,143	316
Depreciable:						
Land improvements	28,705	1,084	23,057	96	4,468	-
Structures and improvements	125,823	41,597	13,929	55,183	15,114	4,705
Equipment/Vehicles	27,704	24,294	889	832	1,689	80,767
Less accumulated depreciation	(83,413)	(37,792)	(16,495)	(16,922)	(12,204)	(47,659)
Total noncurrent assets	153,897	45,604	31,237	57,314	19,742	38,193
Total assets	\$ 254,714	\$ 91,053	\$ 36,757	\$ 92,752	\$ 34,152	\$ 115,032
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 7,944	\$ 5,493	\$ 447	\$ 1,130	\$ 874	\$ 3,553
Short term compensated absences	2,130	1,936	89	-	105	2,213
Accrued liabilities (Note 9)	6,320	5,622	38	424	236	1,643
Due to other funds (Note 7)	1,902	423	83	755	641	1,178
Current portion of long-term liabilities (Note 11)	2,685	2,032	125	93	435	1,707
Total current liabilities	20,981	15,506	782	2,402	2,291	10,294
Noncurrent liabilities:						
Deferred revenue	1,196	-	6	272	918	901
Accrued insurance losses (Note 15)	2,337	-	-	-	2,337	39,781
Other liabilities	608	505	-	103	-	-
Advances from other funds	100	-	-	100	-	-
Unamortized bond premium	-	-	-	-	-	129
Deposits	236	-	236	-	-	-
Long term compensated absences (Note 11)	1,456	1,234	46	-	176	2,823
Medical malpractice liability (Note 15)	4,206	4,206	-	-	-	-
Noncurrent portion of long-term liabilities (Note 11)	35,950	30,691	635	1,080	3,544	6,612
Total noncurrent liabilities	46,089	36,636	923	1,555	6,975	50,246
Total liabilities	67,070	52,142	1,705	3,957	9,266	60,540
NET ASSETS						
Invested in capital assets, net of related debt	126,819	24,224	30,515	56,141	15,939	31,365
Restricted (Note 12)	14,443	11,343	-	14	3,086	451
Unrestricted	46,382	3,344	4,537	32,640	5,861	22,676
Total net assets	187,644	38,911	35,052	88,795	24,886	54,492
Total liabilities and net assets	\$ 254,714	\$ 91,053	\$ 36,757	\$ 92,752	\$ 34,152	\$ 115,032

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Total	Medical Center	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Internal Service Funds
Operating Revenues:						
Charges for services	\$ 157,028	\$ 122,878	\$ (172)	\$ 16,054	\$ 18,268	\$ 146,866
Rents and royalties	9,070	-	3,719	185	5,166	117
Miscellaneous	-	-	-	-	-	437
Total operating revenues	<u>166,098</u>	<u>122,878</u>	<u>3,547</u>	<u>16,239</u>	<u>23,434</u>	<u>147,420</u>
Operating Expenses:						
Salaries and benefits	68,371	63,859	1,730	-	2,782	52,935
Services and supplies	77,701	55,149	560	15,131	6,861	58,057
Insurance premiums	5,893	5,034	125	-	734	7,935
Utilities	2,273	1,759	254	28	232	-
Provision for insurance losses	12,715	-	-	-	12,715	28,453
Depreciation and amortization	8,051	4,662	1,431	1,151	807	7,420
Total operating expenses	<u>175,004</u>	<u>130,463</u>	<u>4,100</u>	<u>16,310</u>	<u>24,131</u>	<u>154,800</u>
Operating loss	<u>(8,906)</u>	<u>(7,585)</u>	<u>(553)</u>	<u>(71)</u>	<u>(697)</u>	<u>(7,380)</u>
Nonoperating revenues (expenses):						
State and federal grants	2,301	-	1,104	100	1,097	64
Developers' fees	(325)	-	-	(325)	-	-
Capital contributions	2,105	-	-	1,966	139	22
Other revenue	330	330	-	-	-	-
Property tax revenue	33	-	-	33	-	-
Gain (loss) from disposal of capital assets	(1,612)	-	(40)	92	(1,664)	(336)
Issuance costs	(33)	(33)	-	-	-	-
Interest and investment income	1,155	153	123	653	226	1,171
Interest expense	(938)	(737)	(21)	(9)	(171)	(243)
Total nonoperating revenues (expenses)	<u>3,016</u>	<u>(287)</u>	<u>1,166</u>	<u>2,510</u>	<u>(373)</u>	<u>678</u>
Net income (loss) before transfers	<u>(5,890)</u>	<u>(7,872)</u>	<u>613</u>	<u>2,439</u>	<u>(1,070)</u>	<u>(6,702)</u>
Transfers in	27,382	26,595	-	-	787	3,837
Transfers out	<u>(14,643)</u>	<u>(14,573)</u>	<u>-</u>	<u>(46)</u>	<u>(24)</u>	<u>(335)</u>
Change in net assets	6,849	4,150	613	2,393	(307)	(3,200)
Net assets - beginning	<u>180,795</u>	<u>34,761</u>	<u>34,439</u>	<u>86,402</u>	<u>25,193</u>	<u>57,692</u>
Net assets - ending	<u>\$ 187,644</u>	<u>\$ 38,911</u>	<u>\$ 35,052</u>	<u>\$ 88,795</u>	<u>\$ 24,886</u>	<u>\$ 54,492</u>
Adjustment to allocate the internal service funds losses related to enterprise funds	<u>(613)</u>					
Net assets of business-type activities	<u>\$ 187,031</u>					

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Total	Medical Center	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash receipts from customers	\$ 162,302	\$ 132,084	\$ 2,612	\$ 16,829	\$ 10,777	\$ 15,004
Cash receipts from other funds	16,148	1,145	901	276	13,826	132,275
Cash receipts from other sources	366	-	366	-	-	66
Cash paid to suppliers for goods and services	(71,275)	(48,162)	(841)	(11,029)	(11,243)	(47,179)
Cash paid to employees for services	(67,818)	(63,359)	(1,733)	-	(2,726)	(53,046)
Cash paid to other funds	(28,155)	(15,191)	(331)	(4,206)	(8,427)	(13,576)
Cash paid for insurance premiums	(5,453)	(5,034)	-	-	(419)	(6,792)
Cash paid for judgments and claims	-	-	-	-	-	(6,479)
Net cash provided by operating activities	6,115	1,483	974	1,870	1,788	20,273
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers received	27,117	26,595	-	-	522	3,837
Transfers paid	(14,619)	(14,573)	-	(46)	-	(335)
Interest paid on non capital debt	(137)	(126)	-	-	(11)	-
Property taxes	33	-	-	33	-	-
State and federal grant receipts	175	-	-	-	175	64
Net cash provided by (used in) noncapital financing activities	12,569	11,896	-	(13)	686	3,566
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from capital debt	2,712	-	1,263	1,180	269	-
Proceeds from capital grants	527	-	-	100	427	-
Proceeds from (use of) capital contributions	401	-	-	(325)	726	22
Acquisition and construction of capital assets	(9,334)	(1,035)	(3,718)	(3,432)	(1,149)	(8,232)
Principal paid on capital lease obligations	(12)	-	-	-	(12)	-
Principal paid on capital debt	(2,272)	(1,835)	(24)	(60)	(353)	(989)
Interest paid on capital debt	(840)	(650)	(21)	(9)	(160)	(253)
Proceeds from sales of capital assets	153	-	-	110	43	610
Net cash used in capital and related financing activities	(8,665)	(3,520)	(2,500)	(2,436)	(209)	(8,842)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and investment income received	1,296	146	146	766	238	1,211
Net cash provided by investing activities	1,296	146	146	766	238	1,211
Net increase (decrease) in cash and cash equivalents	11,315	10,005	(1,380)	187	2,503	16,208
Total cash and cash equivalents, beginning of the year	49,195	2,769	6,051	32,185	8,190	46,072
Total cash and cash equivalents, end of the year	\$ 60,510	\$ 12,774	\$ 4,671	\$ 32,372	\$ 10,693	\$ 62,280

(Continued)

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)
(Continued)

	Business-type Activities - Enterprise Funds					Governmental Activities
	Total	Medical Center	Department of Airports	Waterworks Districts	Non-major Enterprise Funds	Internal Service Funds
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating loss	\$ (8,906)	\$ (7,585)	\$ (553)	\$ (71)	\$ (697)	\$ (7,380)
Adjustments to reconcile operating loss to cash flows provided by (used in) operation activities:						
Depreciation and amortization	8,051	4,662	1,431	1,151	807	7,420
Decrease (increase) in:						
Accounts receivable	10,693	9,548	(117)	582	680	566
Due from other funds	1,389	803	30	(25)	581	(416)
Intergovernmental receivables	-	-	-	-	-	(352)
Inventories and other assets	112	90	(73)	107	(12)	(433)
Long-term receivables	510	-	510	-	-	-
Increase (decrease) in:						
Accounts payable	(406)	(619)	339	(444)	318	(1,175)
Other liabilities	(594)	-	(592)	-	(2)	275
Accrued liabilities	1,814	1,414	2	288	110	241
Due to other funds	(6,222)	(6,406)	27	249	(92)	(1,066)
Deferred revenue	(75)	-	(26)	33	(82)	112
Accrued insurance loss expense	135	-	-	-	135	22,028
Medical malpractice liability	(720)	(720)	-	-	-	-
Compensated absences	334	296	(4)	-	42	453
Net cash provided by operating activities	<u>\$ 6,115</u>	<u>\$ 1,483</u>	<u>\$ 974</u>	<u>\$ 1,870</u>	<u>\$ 1,788</u>	<u>\$ 20,273</u>

ENTERPRISE FUNDS

Non-cash investing, capital and financing activities include capital additions funded in the prior year (\$505) and debt (\$6,555), interfund transfers out of assets exceeding transfers in (\$17), donated assets (\$1,966), and deletions of assets (\$7,956). Interest on investments has been adjusted for current and prior year accruals (\$142).

INTERNAL SERVICE FUNDS

Non-cash investing, capital and financing activities include capital additions of assets funded by debt (\$181), interfund transfers out of assets exceeding transfers in (\$9) and deletion of assets (\$7,702). Interest on investments has been adjusted for current and prior year accruals (\$41).

COUNTY OF VENTURA
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2003
(In Thousands)

	Total	Pension Trust Funds	Investment Trust	Agency
<u>ASSETS</u>				
Cash and investments (Note 4)	\$ 2,813,339	\$ 2,109,538	\$ 698,757	\$ 5,044
Receivables (net):				
Accounts	2,789	1	2,788	-
Employer Contributions	130	130	-	-
Employee Contributions	610	610	-	-
Interest and dividends	2,926	2,915	-	11
Security sales	13,776	13,776	-	-
Miscellaneous	883	883	-	-
Due from other funds (Note 7)	940	2	935	3
Total assets	<u>2,835,393</u>	<u>2,127,855</u>	<u>702,480</u>	<u>\$ 5,058</u>
<u>LIABILITIES</u>				
Accounts payable	4,918	2,351	2,567	\$ -
Accrued liabilities	5,058	-	-	5,058
Due to other funds (Note 7)	2,143	153	1,990	-
Security deposits payable	322	322	-	-
Security purchases payable	98,369	98,369	-	-
Collateral held for securities lent	52,916	52,916	-	-
Total liabilities	<u>163,726</u>	<u>154,111</u>	<u>4,557</u>	<u>\$ 5,058</u>
<u>NET ASSETS</u>				
Net assets held in trust for pension benefits/ investment pool participants	<u>\$ 2,671,667</u>	<u>\$ 1,973,744</u>	<u>\$ 697,923</u>	

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	<u>Total</u>	<u>Pension Trust Funds</u>	<u>Investment Trust</u>
<u>ADDITIONS</u>			
Contributions:			
Employer:			
Annual actuarially determined	\$ 117	\$ 117	\$ -
Other	5,384	5,384	-
Employee contributions	26,271	26,271	-
Contributions to investment pool	2,108,813	-	2,108,813
Total contributions	<u>2,140,585</u>	<u>31,772</u>	<u>2,108,813</u>
Net investment income:			
Net appreciation (depreciation) in fair value of investments	55,282	56,894	(1,612)
Interest income	34,798	19,039	15,759
Dividend income	4,847	4,847	-
Securities lending income	1,207	1,207	-
Real estate income, net	3,982	3,982	-
Investment expense	(5,543)	(5,543)	-
Net investment income	<u>94,573</u>	<u>80,426</u>	<u>14,147</u>
Total additions	<u>2,235,158</u>	<u>112,198</u>	<u>2,122,960</u>
<u>DEDUCTIONS</u>			
Benefit payments	95,231	95,231	-
Member refunds	2,895	2,895	-
Administrative expenses	2,412	2,412	-
Legal expenses	38	38	-
Distribution to pooled participants	1,996,224	-	1,996,224
Total deductions	<u>2,096,800</u>	<u>100,576</u>	<u>1,996,224</u>
Change in net assets	138,358	11,622	126,736
Net assets - beginning	<u>2,533,309</u>	<u>1,962,122</u>	<u>571,187</u>
Net assets - ending	<u>\$ 2,671,667</u>	<u>\$ 1,973,744</u>	<u>\$ 697,923</u>

See accompanying notes to the basic financial statements

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

NOTE 1 – THE FINANCIAL REPORTING ENTITY

(a) Reporting Entity

The County of Ventura, California (the “County”) is a legal subdivision of the State of California and was established as a General Law County in 1873. It is governed by an elected five-member Board of Supervisors (Board) and provides the following services: general government, public protection, public ways and facilities, health and sanitation services, public assistance, and education.

The governmental reporting entity consists of the County (Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable or other organizations whose nature and significant relationship with the County are such that exclusion would cause the County’s financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit’s board and (i) either the County’s ability to impose its will on the organization or (ii) the potential for the organization to provide a financial benefit to or impose a financial burden on the County.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities, are, in substance, part of the County’s operations and so data from these units are combined with data of the primary government. The discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the primary government.

For financial reporting purposes, the County’s basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the County’s Board. The financial statements of the individual component units may be obtained by writing to the County of Ventura, Auditor-Controller’s Office, 800 South Victoria Avenue, Ventura, CA 93009-1540.

(b) Blended Component Units

Using the criteria established by Governmental Accounting Standards Board (GASB) Statement No. 14, the County’s management has determined that the following component units should be blended with the activities of the County, as follows:

- Special Revenue Funds – Watershed Protection, County Service Areas, Fire Protection, and the County of Ventura Redevelopment Agency (RDA);
- Enterprise Fund – Waterworks Districts including the Lake Sherwood Community Services District and Camarillo Water and Sewer;
- Debt Service Funds – Ventura County Public Facilities Corporation, the Public Financing Authority, the library activities of the Simi Valley Civic Center Authority, and the RDA;
- Capital Project Funds – Ventura County Public Facilities Corporation, the Public Financing Authority and the RDA;

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

- Pension Trust Funds – Ventura County Employees’ Retirement Association (VCERA) and the County’s Supplemental Retirement Plan (SRP). The County is financially accountable for each of the above component units.

The basis for blending is that the County’s Board acts as the governing board for all entities except the Ventura County Employees’ Retirement System and the Ventura County Public Facilities Corporation. However, these two organizations provide services almost entirely for the County’s benefit.

(c) Discretely Presented Component Unit

Children and Families First Commission

The Children and Families First Commission (Commission) was established in December 1998 under the authority of the California Children and Families First Act of 1998 and sections 130100, et seq., of the Health and Safety Code. The Commission accounts for receipts and disbursements of California Children and Families First Trust Fund allocations and appropriations to the Commission. The Commission is a discretely presented component unit as the County Board appoints all members of the Commission’s governing body and can remove appointed members at will. The separate financial statements may be obtained from Children and Families First Commission, 2850 East Main Street, Suite 203, Ventura, California, 93003.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Implementation of Governmental Accounting Standards Board Statements

GASB Statements No. 34, 37, 38, and Interpretation 6

In June 1999 and in June 2001, the GASB issued Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments* (GASB 34), Statement No. 37, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments – Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, respectively. The County of Ventura implemented the aforementioned pronouncements for the fiscal year ended June 30, 2002. As discussed in Note 2(g), the County early implemented infrastructure reporting for its roads network in the 2002 fiscal year. The County’s watershed protection network is early implemented in the current fiscal year as discussed in Note 8.

(b) Basis of Presentation

Government-wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the County) and its component units. These statements distinguish between the *governmental* and *business-type activities* of the County and between the County and its discretely presented component unit. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the County's governmental activities and for each segment (different identifiable activities) of the business-type activities of the County. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Because the internal service funds primarily serve the governmental funds, the internal service funds' activity is eliminated with net balances also reported in the governmental activities column. Fiduciary funds are not reported on the government-wide financial statements. When both restricted and unrestricted net assets are available, restricted resources would generally be considered to be used first and then the unrestricted resources as they are needed.

Fund Financial Statements

The fund financial statements provide information about the County's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental*, *proprietary* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds; each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as non-major funds.

Because the governmental fund financial statements are presented on a different measurement focus and basis of accounting than the government-wide financial statements, a reconciliation is presented which explains the adjustments necessary to reconcile fund financial statements to the government-wide financial statements.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The County reports the following major governmental funds:

- The *General* Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the County that are not accounted for through other funds. For the County, the General Fund includes such activities as general government, public protection, health and sanitation, public assistance, and education.
- The *Roads* Fund provides for planning, design, construction, maintenance, and administration of County roads. It also engages in traffic safety and other transportation planning activities. Revenues consist primarily of the County's share of state highway use taxes, sales taxes, and federal grants.
- The *Watershed Protection Districts (formerly Flood Control Districts)* Fund controls flood and storm waters and conserves such waters for beneficial public use. Revenues are primarily received from property taxes, aid from other governmental units, and charges for current services.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

- The *Fire Protection District* Fund provides fire protection to the unincorporated areas of the County as well as the cities of Camarillo, Moorpark, Ojai, Port Hueneme, Simi Valley, and Thousand Oaks. Support is principally from property taxes and aid from other governmental units.
- The *Juvenile Justice Complex* Fund accounts for the capital project activities for the construction of the Juvenile detention and commitment facility. Construction was completed in August, 2003; occupancy is expected in January 2004. The State Board of Corrections approved a \$40.5 million grant for buildings requiring a \$24.9 million match provided by the County for remaining costs.

The County reports the following major enterprise funds:

- The *Medical Center* Fund is part of the County Health Care Agency which operates an acute care facility providing emergency room, inpatient, mental health inpatient, and, through its clinics, outpatient services to all County residents. It also provides support services to related public and mental health programs administered by the Health Care Agency. The fund provides indigent care, which is subsidized, in part, by transfers from the General Fund for such services.
- The *Department of Airports* Fund operates the County-owned general aviation facilities at the Camarillo and Oxnard airports and provides administrative, fiscal, and other support services for airport tenants and the flying public. This fund accounts for aid from other governmental units in support of aviation and also provides support services for the operation of the streets, street lighting, and storm drains at the Camarillo airport.
- The *Waterworks Districts* Fund performs necessary administrative, maintenance, and operations functions to provide uninterrupted water delivery services and sewer collection and disposal services to various communities of Ventura County. These districts include Waterworks Districts 1, 16, 17, 19, Camarillo Water and Sewer, and Lake Sherwood.

The County reports the following additional funds and fund types:

- The *Permanent Fund* accounts for the George Lyon Book Fund established in December 2002. Earnings only may be used for books for the E. P. Foster Library in Ventura.
- *Internal Service Funds* account for the County's fleet maintenance; engineering, construction, and maintenance services; telecommunication and computer-assisted systems; general services; and self-insurance programs – workers' compensation, long-term disability, employee benefits, medical malpractice, and general insurance, on a cost-reimbursement basis.
- The *VCERA Trust Fund* accumulates contributions from the County, its employees and other participating employers, and earnings from the fund's investments. Disbursements are made from the fund for retirement, disability, and death benefits (based on a defined benefit formula) and administrative expenses. This fund includes all assets of the VCERA, which was established January 1, 1947 under provisions of the County Employees' Retirement Law of 1937.
- The *SRP Trust Fund* accounts for the assets, contributions, and benefit payments of the Supplemental Retirement Plan established January 1, 1992 under provisions of the Internal Revenue Code Section 401(a).

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

- The *Investment Trust Fund* (a single cash pool managed by the Treasury) accounts for the assets of legally separate entities that deposit cash with the County Treasurer. The entities include school and community college districts and special districts governed by local boards. These funds represent the assets, primarily cash and investments, and the related liability of the County to disburse these monies on demand. The County follows procedures of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Detailed information about the major legal entities included in the Investment Trust Fund is provided in the Schedule of Fiduciary Net Assets and Schedule of Changes in Fiduciary Net Assets in the Supplementary Information section.
- *County Agency Funds* account for assets held for distribution by the County as an agent for various other funds and local governments.

(c) Measurement Focus and Basis of Accounting

The government-wide, proprietary, pension and investment trust fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds are reported using the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from sales taxes is recognized when the underlying transactions take place. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within six months following the end of the fiscal year. Property taxes are accrued if they are collectible within 60 days after the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due. General capital assets acquisitions and general principal payments are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

For its business-type activities and enterprise funds, the County has elected under GASB Statement No. 20, *Accounting and Financial Reporting of Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, to apply all applicable GASB pronouncements as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board, or any Accounting Research Bulletins issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements. The County has elected to not apply the FASB standards issued subsequent to November 30, 1989. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards, which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental users.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

(d) General Capital Assets and Long-Term Debt

GASB Statement No. 34 eliminates the presentation of general capital asset and general long-term debt account groups, but provides for these records to be maintained and incorporates the information into the governmental activities column in the government-wide statement of net assets.

(e) Cash and Investments

For purposes of reporting cash flows, cash and investments include cash in bank and investments held by the County Treasurer in a cash management pool and short-term temporary investments in the pension trust funds, generally with original maturities of 90 days or less. In accordance with GASB No. 31, investments are stated at fair value. County fair value is determined annually based on values provided by its investment custodian (Wells Fargo Bank) as of June 30, 2003. The fair value of participants' aggregate position in the pool is the same as the aggregate value of the pool shares. The participants share a ratable portion of the pool's activity and its value based on average daily balances. For VCERA and SRP, investment income components (interest, dividends, and net increase or decrease in fair value) are determined at year-end as reported by the various trustees and custodians on the accrual basis.

(f) Inventories

Inventories consist of expendable supplies valued at cost (principally on a first-in, first-out basis). The County uses the purchases method to record inventories as expenditures when purchased by governmental funds. Significant supplies on hand at year-end are recorded as assets with a corresponding credit to reserved fund balances to indicate that such amounts are not available for future appropriation by the governmental funds.

(g) Capital Assets

Capital assets components consist of land, land improvements, structures and improvements, equipment, vehicles, construction in progress, and infrastructure. The County defines capital assets as assets with an estimated useful life in excess of one year.

The capitalization level and estimated useful lives are as follows:

<u>Category</u>	<u>Capitalization Level</u>	<u>Useful Life</u>
Structures and improvements	\$25,000 except \$5,000 for Airports and \$50,000 for Waterworks	30-75
Betterments	\$5,000	30-75
Equipment	\$5,000	2-30
Vehicles	\$5,000	2-25
Capital leases	As above, based on category	5-40
Infrastructure	All new construction and major renovation are capitalized; all other costs are considered maintenance and are expensed.	40-100

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

The County has two networks of infrastructure assets – roads and watershed protection. The roads network includes roads, bridges and traffic signals. Current year costs were capitalized for the roads network effective June 30, 2002 with retroactive reporting effective June 30, 2001. The watershed protection network includes flood channels, debris dams, detention basins, pump stations, and rights of way. Current year costs were also reported for the watershed protection network with retroactive reporting implemented effective June 30, 2002. Corresponding increases are recorded to investment in capital assets net of debt.

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. Assets acquired from gifts or donations are valued at their estimated fair market value on the date contributed. Self-constructed assets, including structures and major software betterments, are recorded at the amount of direct labor, material and net interest costs incurred (for proprietary funds) if financed by tax-exempt borrowing. Major software and betterments are included in the equipment category.

Acquisitions of capital assets are recorded as expenditures in the governmental funds statements. Capital assets are capitalized and depreciated on the government-wide and the proprietary funds statements. Land, construction in progress and assets not used in operations are not depreciated. Other components used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lower of the capital lease period or their estimated useful lives. The County has elected the depreciation approach for infrastructure.

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

(h) Compensated Absences (Accrued Vacation, Sick Leave, and Compensatory Time)

County policy permits employees to accumulate earned but unused vacation, sick pay, and compensatory time. A liability for all vacation pay and compensated absences and 25 percent of unused accumulated sick leave for those employees with at least ten years of service is accrued when earned in the government-wide and proprietary funds financial statements. In accordance with GASB Interpretation No. 6, a liability for these amounts is reported in the governmental funds financial statements only if they have matured as a result of employee resignations and retirements prior to year-end and are paid by the County subsequent to year-end.

(i) Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are repayments (adjustments to the expenditures or expenses) from the funds responsible for certain expenditures or expenses to the funds that initially paid for them. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

(j) Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 3 – DEFICIT FUND BALANCE

The Juvenile Justice Complex Construction (JJC) and the County of Ventura Redevelopment Agency (RDA), capital projects funds, had fund balance deficits of \$8,019,000 and \$52,000, respectively, at June 30, 2003. These accumulated deficits are expected to be eliminated in fiscal year 2003-2004 through the receipt of the grant retention from the Board of Corrections for JJC and borrowing obtained from the Department of Agriculture Rural Development Community Facilities program for RDA.

The General Insurance internal service fund had a net assets deficit of \$990,000 as described in Note 15 - Risk Management. The accumulated deficit of \$5,944,000 within the workers' compensation component in its first year of self-insurance operation is expected to be eliminated over a five-year period through increased rates.

NOTE 4 – CASH AND INVESTMENTS

The County sponsors an investment pool that is managed by the County Treasurer for the purpose of increasing interest earnings through investment activities. Cash and investments for most County activities are included in the investment pool. The respective funds' shares of the total pool are included in the accompanying basic financial statements under the caption "Cash and investments". Interest earned on investments is allocated to certain participating funds based on their average daily cash-in-treasury balances. Cash and investments managed separately from the investment pool include those of the PFC, PFA, VCERA, and SRP.

The County Treasurer's investment pool is further defined as internal and external investment pools in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The internal investment pool includes the funds and component units of the reporting entity and is reported in the various County funds. The external investment pool invests monies of more than one legally separate entity, not part of the sponsor's reporting entity, and invests on the participants' behalf in an investment portfolio. The external investment pool is reported in the accompanying financial statements as an investment trust fund within the fiduciary funds and uses the economic resources measurement focus and the accrual basis of accounting.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

The financial reporting for these governmental entities, which are independent of the County Board, is limited to the total amount of cash and investments and other assets, and the related fiduciary responsibility of the County for disbursement of these assets. Activities of the school districts and special districts are administered by their own separate governing boards. Effective January 1, 1998, activities of the County's consolidated courts are governed by the State of California. The County Auditor-Controller makes disbursements upon the request of the responsible school and self-governed district officers and the presiding judge of the consolidated courts. The County Board has no effective authority to govern, manage, approve budgets, assume financial accountability, establish revenue limits, nor to appropriate surplus funds available in these entities. Therefore, these entities are not financially accountable to the County.

California Government Code Section 53635 authorizes the County Treasurer to invest in obligations of the U. S. Treasury, agencies and instrumentalities, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase and reverse repurchase agreements, corporate notes, negotiable certificates of deposit, obligations of the State of California, and obligations of any local agency within California. The VCERA Trust Fund is authorized to invest in any form or type of investment, financial instrument, or financial transaction when prudent in the informed opinion of the VCERA Board of Retirement (Board of Retirement).

Total cash and investments at fair value as reported at June 30, 2003 are as follows (in thousands):

Governmental activities	\$ 502,140
Business-type activities	<u>73,529</u>
Primary government	575,669
Component unit	<u>42,563</u>
Total government-wide	618,232
 Fiduciary Funds:	
Pension trusts	2,109,538
Investment trust fund	698,757
Agency funds	<u>5,044</u>
Total cash and investments	<u>\$ 3,431,571</u>

The amount at fair value of "Cash and investments" for County funds with Treasury or fiscal agents and VCERA and SRP Trust Funds at June 30, 2003 are summarized as follows (in thousands):

	Treasury	Fiscal Agents	Pension Funds	Total
<i>Cash:</i>				
Cash on hand	\$ 4	\$ 1,536	\$ -	\$ 1,540
Deposit (net outstanding checks)	<u>(4,444)</u>	<u>42,723</u>	<u>78,589</u>	<u>116,868</u>
Total cash (net outstanding checks)	<u>(4,440)</u>	<u>44,259</u>	<u>78,589</u>	<u>118,408</u>
 <i>Investments:</i>				
in Treasurer's pool	1,280,869	-	-	1,280,869
with Fiscal Agents	-	1,345	-	1,345
in Pension portfolios	<u>-</u>	<u>-</u>	<u>2,030,949</u>	<u>2,030,949</u>
Total investments	<u>1,280,869</u>	<u>1,345</u>	<u>2,030,949</u>	<u>3,313,163</u>
 Total cash and investments	<u>\$ 1,276,429</u>	<u>\$ 45,604</u>	<u>\$ 2,109,538</u>	<u>\$ 3,431,571</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Cash

The cash portion of “cash and investments” includes demand and other deposits with original maturities of less than 90 days.

At June 30, 2003, the carrying amount of the County’s cash was \$118,408,000, and the bank balance per various institutions was \$137,860,000. Treasury cash of \$(4,440,000) reflect outstanding checks of \$19,452,000. Treasurer’s pool investments are managed daily to maximize earnings and provide cash as needed. Of the bank balance in financial institutions, \$921,000 was covered by federal depository insurance and \$136,939,000 was uninsured. The uninsured deposits were held by financial institutions, which are legally required by the California Government Code to collateralize the County’s deposits by pledging government securities or first trust deed mortgage notes. The market value of the pledged securities and first trust deed mortgage notes must be at least 110 percent and 150 percent of the County’s deposits, respectively. The collateral was held by the pledging financial institution’s trust department and was considered held in the County’s name.

“Restricted assets – cash and investments” in the amount of \$13,470,000 are held in the proprietary funds and include \$1,500,000 for Health Care Plan tangible net equity deposit, \$120,000 for Harbor Expansion NOAA deposit, and the remainder of \$11,850,000 for Medical Center, Channel Islands Harbor, and General Services internal service fund from PFA and PFC for borrowing projects to be completed.

Investments—County Funds

In accordance with GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Purchase Agreements), and Reverse Repurchase Agreements* (GASB 3), the County’s investments have been categorized below to indicate the level of custodial risk assumed by the County at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the agent’s nominee name with subsidiary records listing the County as the legal owner. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter-party, or by its trust department or agent, in the County’s name. Category 3 includes uninsured and unregistered investments, with securities held by the counter-party, or its trust department or agent, but not in the County’s name. The GASB 3 categories do not apply to certain types of investments such as loaned securities, annuity contracts, real estate, and mutual funds due to their nature.

The carrying amount at fair value of the County’s investments, exclusive of the VCERA and SRP Trust Funds at June 30, 2003 are summarized below (in thousands):

	Category 1		Uncategorized	Total
	County Treasurer	Fiscal Agents		
Certificates of deposit	\$ -	\$ -	\$ 300	\$ 300
Commercial Paper	327,250	-	-	327,250
U. S. Agency obligations	953,319	1,345	-	954,664
Total investments	<u>\$ 1,280,569</u>	<u>\$ 1,345</u>	<u>\$ 300</u>	<u>\$ 1,282,214</u>

COUNTY OF VENTURA
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Fair value calculations at fiscal year-end are based on values provided by the County's investment custodian. The net change in fair value from carrying value at June 30, 2003 (including purchases, sales, and reinvestment of earnings) amounted to an increase of \$5,151,000. The net change in fair value from June 30, 2002 to June 30, 2003 was a decrease of approximately \$3 million.

A summary of the interest rate range and maturity range of investments held by the County Treasurer at June 30, 2003 is as follows:

<u>Investments</u>	<u>Interest Rate Range</u>	<u>Maturity Range</u>
Certificates of deposit	1.69-1.95	09/12/03-11/25/03
Commercial paper	1.00-1.24	07/01/03-08/28/03
U. S. Agency obligations	0.87-5.25	07/01/03-10/28/05

The County adopts an investment policy document as approved by the Treasury Oversight Committee and the County Board. The policy emphasizes safety, liquidity and yield and follows the "prudent investor rule". The County is not registered with the Securities and Exchange Commission as an investment company. No guarantees have been provided during the period to support the value of shares in the pool. Investment earnings are allocated based on the average daily balance in the Treasury's pool for the calendar quarter. The earnings are distributed to participants twice per quarter as cash is received.

Treasury Investment Pool

The Treasury Investment Pool does not issue financial statements separate from the County's Comprehensive Annual Financial Report. The following represents a condensed statement of net assets and changes in net assets for the pool (internal and external) as of June 30, 2003 (in thousands):

	<u>Total</u>
Statement of Net Assets	
Net assets held for pool participants	<u>\$ 1,276,429</u>
Equity of internal pool participants	\$ 535,109
Equity of external pool participants	<u>698,757</u>
Primary government	1,233,866
Equity of discretely presented component unit	<u>42,563</u>
Total equity	<u>\$ 1,276,429</u>
Statement of Changes in Net Assets	
Net assets at July 1, 2002	\$ 1,067,941
Increase in investment by pool participants, net	<u>208,488</u>
Net assets at June 30, 2003	<u>\$ 1,276,429</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

The investment pool includes both voluntary and involuntary participants for which cash and investments are held by the County Treasurer. The total percentage share of the Treasurer's pool related to involuntary participants is 46 percent. Legal provisions require certain special districts to maintain surplus cash in the County Treasurer's investment pool including public school districts, cemetery districts, recreation and park districts, and the Air Pollution Control District. Voluntary participants include the Superior Court of California, Ventura County.

Investments - VCERA

The carrying amount at fair value of the VCERA Trust Fund long-term investments at June 30, 2003 is summarized as follows (in thousands):

	<u>Category 1</u>	<u>Uncategorized Investments</u>	<u>Carrying Amount at Fair Value</u>
Domestic equity	\$ 285,914	\$ 30,578	\$ 316,492
U. S. government debt securities and corporate bonds	343,066	19,908	362,974
International bonds	-	23,278	23,278
Securities lending collateral	-	52,916	52,916
Real estate	-	99,777	99,777
Investments held in mutual funds and investment pool	<u>-</u>	<u>1,168,949</u>	<u>1,168,949</u>
Total investments	<u><u>\$ 628,980</u></u>	<u><u>\$ 1,395,406</u></u>	<u><u>\$ 2,024,386</u></u>

The Board of Retirement permits the use of securities lending pursuant to an agreement with its custodial financial institution, whereby the VCERA Trust Fund lends specific stocks, bonds, and government securities that are being held in trust at the financial institution to various brokers in return for a service charge. The financial institution is authorized to handle all the loan activity for the VCERA Trust Fund and has agreed to indemnify the VCERA Trust Fund for any losses of securities or income due to borrower failure or default. At June 30, 2003, the VCERA Trust Fund had securities on loan with a fair value of \$50,486,000 with cash collateral of \$52,916,000.

Loaned securities are collateralized by cash, which was deposited in a collective investment pool equal to not less than 100 percent of the market value of loaned securities. Collateral is held by the lending financial institution as custodian and cannot be pledged or sold unless the borrower defaults. Because loans were terminable at will, their duration did not generally match the duration of the investment made with cash collateral. Also, it was determined that a credit risk does not exist at year-end since the amount owed the borrower is greater than the amount the borrower owed.

COUNTY OF VENTURA
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Included within the VCERA Trust Fund's fixed income portfolio of \$566,961,000, approximately \$190,944,000 is classified as derivative securities. These holdings include asset-backed and mortgage-backed securities, and are considered to be derivatives because their value is derived from the value of the assets backing the security rather than the security itself.

VCERA's investment managers utilize futures contracts and options to minimize currency fluctuations in non-dollar denominated securities. Futures contracts and options are not utilized speculatively. Risks surrounding the contracts include fluctuations in exchange rates and the inability of the counterparty to meet contract terms. Differences between contract exchange rates and market exchange rates at settlement result in gains and losses. Futures contracts and options at June 30, 2003 totaled \$66,056,000.

All derivative securities have been included at fair value in the Statement of Plan Net Assets, and all realized and unrealized gains/losses associated with these securities have been included in the Statement of Changes in Plan Net Assets for the year ending June 30, 2003.

Investments – SRP

The SRP adopts an investment policy which emphasizes safety, diversification and yield and follows the "prudent investor rule", as required by the Employment Retirement Income Security Act of 1974. At June 30, 2003, the carrying amount at fair value of the SRP Trust Fund's investments is \$6,563,000. Such investments are held in mutual funds and are uncategorized under the provisions of GASB 3.

NOTE 5 – PROPERTY TAXES

All jurisdictions within California derive their taxing authority from the State Constitution and various legislative provisions contained in the State Government Codes and Revenue and Taxation Codes. Property is originally assessed at 100 percent of full cash or market value at the date of transfer or completion of construction pursuant to Article XIII(A) of the California State Constitution and statutory provisions by the County Assessor and State Board of Equalization. Annual increases are limited to 2 percent. The total fiscal year 2002-2003 gross assessed valuation of the County was \$66,879,252,000 (unaudited), of which \$65,931,518,000 (unaudited) was the net assessed value after homeowners' exemptions.

The property tax levy to support general operations of various jurisdictions is limited to one percent of full cash value and is distributed in accordance with statutory formulas. Amounts levied each fiscal year to finance the annual requirements of voter approved debt are excluded from this limitation and are calculated and levied each fiscal year. The rates are formally adopted by either the Board or the city councils and, in some instances, the governing board of a special district.

The County is divided into approximately 2,461 tax rate areas, which are unique combinations of various jurisdictions serving a specific geographic area. In fiscal year 2002-03, the rates levied within each tax rate area varied from a low of 1.000000 to a high of 1.228727 per \$100 of assessed valuation. Property taxes are levied on both real and personal property. Secured property taxes are levied July 1 and payable in two equal installments: the first is generally due November 1 and delinquent with penalties after December 10; the second is generally due on February 1 and delinquent with penalties after April 10. Unsecured property taxes become delinquent with penalties after August 31. Secured property taxes become a lien on the property on January 1 or the date on which title to the property transfers or improvements to the property are completed.

COUNTY OF VENTURA
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(Continued)

Supplemental property tax assessments/refunds associated with changes in assessed valuations due to transfers of title and completed property improvements are levied in two equal installments and have variable due dates based on the date of title transfer and/or completion of the property improvements.

The County elected the alternative property tax treatment (Teeter Plan) effective July 1, 1993, whereby the County, through the Property Tax Collection Agency Fund (PTCAF), purchases the current secured unpaid taxes remaining at year-end from participating agencies. In return, the PTCAF records a tax receivable and receives the delinquent secured taxes. The PTCAF receives delinquent penalties and redemption interest accruing to delinquent collections related to participating agencies. The participating agencies, including the County, the special districts, and the school districts, in turn, receive their full tax distribution with no liability for uncollected taxes to the PTCAF. Therefore, for participating agencies, revenue is measurable and available and is recorded in the period the payment of current secured unpaid taxes is received prior to fiscal year end. The balance in the PTCAF is recorded to the General Fund for financial reporting purposes only as of fiscal year end.

NOTE 6 – RECEIVABLES

Receivables at year-end of the County's major individual funds and non-major and internal service funds in the aggregate, including the applicable allowances for uncollectable accounts are as follows (in thousands):

Receivables- Governmental Funds	General Fund	Roads	Watershed Protection Districts	Fire Protection District	Non-major Funds	Total Governmental Funds
Taxes	\$ 861	\$ -	\$ 51	\$ 339	\$ 34	\$ 1,285
Accounts	51,293	2,500	2,499	2,151	3,487	61,930
Interest	1,156	164	294	113	448	2,175
Total receivables	<u>\$ 53,310</u>	<u>\$ 2,664</u>	<u>\$ 2,844</u>	<u>\$ 2,603</u>	<u>\$ 3,969</u>	<u>\$ 65,390</u>

Receivables- Proprietary Funds	Medical Center	Department of Airports	Waterworks Districts	Non-major Funds	Total Enterprise Funds	Internal Service Funds
Accounts	\$ 82,720	\$ 739	\$ 2,223	\$ 1,620	\$ 87,302	\$ 452
Interest	28	18	108	48	202	207
Other	47	-	-	-	47	1,040
Gross receivables	82,795	757	2,331	1,668	87,551	1,699
Less: allowance for uncollectibles and contractual adjustments	(62,942)	(20)	-	-	(62,962)	-
Total receivables	<u>\$ 19,853</u>	<u>\$ 737</u>	<u>\$ 2,331</u>	<u>\$ 1,668</u>	<u>\$ 24,589</u>	<u>\$ 1,699</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 7 – INTERFUND TRANSACTIONS

Interfund Receivables/ Payables

The composition of interfund balances as of June 30, 2003 is as follows (in thousands):

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Road Fund	\$ 35
	Watershed Protection District	115
	Fire Protection District	298
	Juvenile Justice Complex	8,215
	Non-major Governmental Funds	4,609
	Medical Center	99
	Waterworks District	1
	Non-major Enterprise Funds	42
	Internal Service Funds	238
	Pension Trust Fund	139
	Investment Trust Fund	1,747
		<u>15,538</u>
Road Fund	General Fund	58
	Investment Trust Fund	25
		<u>83</u>
Watershed Protection Districts	General Fund	229
	Non-major Governmental Funds	2
		<u>231</u>
Fire Protection District	General Fund	777
	Internal Service Funds	41
		<u>818</u>
Juvenile Justice Complex	Non-major Governmental Funds	481
Non-major Governmental Funds	General Fund	958
	Road Fund	525
	Juvenile Justice Complex	26
	Non-major Governmental Funds	65
	Waterworks District	1
	Non-major Enterprise Funds	496
	Investment Trust Fund	6
		<u>2,077</u>
Medical Center	General Fund	559
	Non-major Enterprise Funds	16
	Investment Trust Fund	2
		<u>577</u>
Department of Airports	General Fund	7
	Internal Service Funds	2
		<u>9</u>
Waterworks District	General Fund	41
	Fire Protection District	2
	Non-major Governmental Funds	3
	Department of Airports	2
	Internal Service Funds	314
		<u>362</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Due to/from other funds(continued):

Non-major Enterprise Funds	General Fund	48
	Road Fund	21
	Non-major Governmental Funds	232
	Non-major Enterprise Funds	38
		<u>339</u>
Internal Service Funds	General Fund	3,630
	Road Fund	1,942
	Watershed Protection District	1,859
	Fire Protection District	186
	Juvenile Justice Complex	(87)
	Non-major Governmental Funds	677
	Medical Center	324
	Department of Airports	81
	Waterworks District	753
	Non-major Enterprise Funds	49
	Internal Service Funds	583
	Pension Trust Funds	14
	Investment Trust Fund	210
		<u>10,221</u>
Pension Trust Fund	General Fund	<u>2</u>
Investment Trust Fund	General Fund	934
	Non-major Governmental Funds	1
		<u>935</u>
Agency Fund	General Fund	<u>3</u>
Discretely Presented Component Unit	General Fund	<u>52</u>
Total		<u>\$ 31,728</u>

The balance of \$8,215,000 due to the General Fund from the Juvenile Justice Complex Construction Fund represents a loan to be repaid when the balance of federal and state grants are received in the next fiscal year. By agreement with the Board of Corrections, a portion of the grants to finance the construction was withheld, approximately fifty percent for retention and fifty percent pending the completion of the complex kitchen .

The balance of \$4,609,000 due to the General Fund from the Non-major Governmental Funds consists primarily of loans extended to various funds which receive funding sources after the expenditures have been incurred.

The balance of \$1,747,000 due to the General Fund from the Investment Trust Fund primarily relates to the distribution of various fines and fees collected by the Superior Court of California, Ventura County, a voluntary participant in the County's Investment Trust Fund.

The remaining interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

COUNTY OF VENTURA
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FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Transfers

Advances: The Redevelopment Agency Piru Project (Non-major debt service fund) advanced \$100,000 to Waterworks Districts (Major enterprise fund) as partial funding for an upgrade of a sewer plant in Piru to meet required flow limitations.

Transfers are used to move funding for capital projects, lease payments or debt service, subsidies of various County operations and re-allocations of special revenues. The following schedule briefly summarizes the County's transfer activity (in thousands):

Transfer From	Transfer To	Amount	Purpose
General fund	Non-major governmental funds	\$ 7,776	Transfer funds for scheduled debt service
	Non-major governmental funds	704	Subsidy for operating expenses
	Medical Center	13,819	Health and welfare realignment and tobacco settlement revenues
	Medical Center	12,776	Subsidy for operating expenses
	Non-major Enterprise Funds	742	Subsidy for operating expenses
	Internal Service Funds	2,542	Subsidy for capital asset purchase
		<u>38,359</u>	
Roads	Internal Service Funds	<u>662</u>	Subsidy for capital asset purchase
Watershed Protection Districts	Non-major Enterprise Funds	21	Subsidy for beach restoration project
	Internal Service Funds	213	Subsidy for capital asset purchase
		<u>234</u>	
Fire Protection District	General Fund	250	Subsidy for helicopter purchase
	Non-major governmental funds	520	Transfer funds for scheduled debt service
		<u>770</u>	
Non-major Governmental Funds	General Fund	346	Subsidy for inmate welfare costs
	General Fund	50	Subsidy for prosecution costs
	Juvenile Justice Complex	6,763	Transfer funds for capital outlay
	Non-major governmental funds	5,059	Transfer funds for capital outlay
	Non-major governmental funds	214	Transfer funds for scheduled debt service
	Non-major governmental funds	170	Subsidy for operating costs and housing set-aside
	Non-major governmental funds	239	Transfer of net surplus
	Non-major governmental funds	8	Transfer of endowment interest
	Internal Service Funds	10	Subsidy for capital asset purchase
		<u>12,859</u>	
Medical Center	General Fund	14,544	Transfer related to SB 855 revenue
	Internal Service Funds	29	Subsidy for capital asset purchase
		<u>14,573</u>	
Waterworks District	Internal Service Funds	<u>46</u>	Subsidy for capital asset purchase
Non-major Enterprise Funds	Non-major Enterprise Funds	<u>24</u>	Transfer of capital assets
Internal Service Funds	Internal Service Funds	299	Subsidy for operating expenses
	Internal Service Funds	36	Subsidy for capital asset purchase
		<u>335</u>	
Total		<u>\$ 67,862</u>	

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2003 was as follows (in thousands):

	Balance July 1, 2002 (as restated)	Additions	Deletions	Balance June 30, 2003
Governmental activities:				
Capital assets, non-depreciated:				
Land	\$ 208,074	\$ 24	\$ 16	\$ 208,082
Construction in progress	74,847	61,478	25,260	111,065
Total capital assets, non-depreciated	<u>282,921</u>	<u>61,502</u>	<u>25,276</u>	<u>319,147</u>
Capital assets, depreciated:				
Land improvements	64	173	-	237
Structures and improvements	268,827	6,968	326	275,469
Equipment	80,405	23,239	5,221	98,423
Vehicles	58,532	7,323	5,026	60,829
Infrastructure	340,944	18	11	340,951
Total capital assets, depreciated	<u>748,772</u>	<u>37,721</u>	<u>10,584</u>	<u>775,909</u>
Less accumulated depreciation for:				
Land improvements	131	19	-	150
Structures and improvements	77,216	5,960	380	82,796
Equipment	52,399	8,283	4,814	55,868
Vehicles	28,977	4,998	4,288	29,687
Infrastructure	65,232	3,438	3	68,667
Total accumulated depreciation	<u>223,955</u>	<u>22,698</u>	<u>9,485</u>	<u>237,168</u>
Total capital assets, depreciated, net	<u>524,817</u>	<u>15,023</u>	<u>1,099</u>	<u>538,741</u>
Governmental activities capital assets, net	<u>\$ 807,738</u>	<u>\$ 76,525</u>	<u>\$ 26,375</u>	<u>\$ 857,888</u>
Business-type Activities (Enterprise):				
Medical Center:				
Capital assets, non-depreciated:				
Land	\$ 396	\$ -	\$ -	\$ 396
Construction in progress	14,916	5,212	4,103	16,025
Total capital assets, non-depreciated	<u>15,312</u>	<u>5,212</u>	<u>4,103</u>	<u>16,421</u>
Capital assets, depreciated:				
Land improvements	1,084	-	-	1,084
Structures and improvements	41,286	311	-	41,597
Equipment	19,239	5,099	44	24,294
Infrastructure	-	-	-	-
Total capital assets, depreciated	<u>61,609</u>	<u>5,410</u>	<u>44</u>	<u>66,975</u>
Less accumulated depreciation for:				
Land improvements	1,083	1	-	1,084
Structures and improvements	18,617	1,389	-	20,006
Equipment	13,430	3,272	-	16,702
Infrastructure	-	-	-	-
Total accumulated depreciation	<u>33,130</u>	<u>4,662</u>	<u>-</u>	<u>37,792</u>
Total capital assets, depreciated, net	<u>28,479</u>	<u>748</u>	<u>44</u>	<u>29,183</u>
Medical Center capital assets, net	<u>\$ 43,791</u>	<u>\$ 5,960</u>	<u>\$ 4,147</u>	<u>\$ 45,604</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
Department of Airports:				
Capital assets, non-depreciated:				
Land	\$ 8,060	\$ -	\$ -	\$ 8,060
Construction in progress	4,679	1,108	4,298	1,489
Total capital assets, non-depreciated	<u>12,739</u>	<u>1,108</u>	<u>4,298</u>	<u>9,549</u>
Capital assets, depreciated:				
Land improvements	20,455	4,181	1,579	23,057
Structures	11,357	2,728	156	13,929
Equipment	472	-	14	458
Vehicles	431	-	-	431
Total capital assets, depreciated	<u>32,715</u>	<u>6,909</u>	<u>1,749</u>	<u>37,875</u>
Less accumulated depreciation for:				
Land improvements	9,139	976	1,549	8,566
Structures	7,155	389	147	7,397
Equipment	218	28	14	232
Vehicles	262	38	-	300
Total accumulated depreciation	<u>16,774</u>	<u>1,431</u>	<u>1,710</u>	<u>16,495</u>
Total capital assets, depreciated, net	<u>15,941</u>	<u>5,478</u>	<u>39</u>	<u>21,380</u>
Department of Airports capital assets, net	<u>\$ 28,680</u>	<u>\$ 6,586</u>	<u>\$ 4,337</u>	<u>\$ 30,929</u>
Waterworks Districts:				
Capital assets, non-depreciated:				
Land	\$ 2,285	\$ -	\$ 13	\$ 2,272
Construction in progress	15,829	3,185	3,161	15,853
Total capital assets, non-depreciated	<u>18,114</u>	<u>3,185</u>	<u>3,174</u>	<u>18,125</u>
Capital assets, depreciated:				
Land improvements	96	-	-	96
Structures and improvements	50,063	5,143	23	55,183
Equipment	503	232	1	734
Vehicles	98	-	-	98
Infrastructure	-	-	-	-
Total capital assets, depreciated	<u>50,760</u>	<u>5,375</u>	<u>24</u>	<u>56,111</u>
Less accumulated depreciation for:				
Land improvements	30	3	-	33
Structures and improvements	15,630	1,088	17	16,701
Equipment	101	53	-	154
Vehicles	27	7	-	34
Infrastructure	-	-	-	-
Total accumulated depreciation	<u>15,788</u>	<u>1,151</u>	<u>17</u>	<u>16,922</u>
Total capital assets, depreciated, net	<u>34,972</u>	<u>4,224</u>	<u>7</u>	<u>39,189</u>
Waterworks District capital assets, net	<u>\$ 53,086</u>	<u>\$ 7,409</u>	<u>\$ 3,181</u>	<u>\$ 57,314</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

	Balance July 1, 2002	Additions	Deletions	Balance June 30, 2003
Non-major Enterprise Funds:				
Capital assets, non-depreciated:				
Land	\$ 8,480	\$ 1,221	\$ 169	\$ 9,532
Construction in progress	429	763	49	1,143
Total capital assets, non-depreciated	<u>8,909</u>	<u>1,984</u>	<u>218</u>	<u>10,675</u>
Capital assets, depreciated:				
Land improvements	4,468	-	-	4,468
Structures	17,209	24	2,119	15,114
Equipment	1,624	104	39	1,689
Total capital assets, depreciated	<u>23,301</u>	<u>128</u>	<u>2,158</u>	<u>21,271</u>
Less accumulated depreciation for:				
Land improvements	2,042	214	-	2,256
Structures	9,458	483	628	9,313
Equipment	542	110	17	635
Total accumulated depreciation	<u>12,042</u>	<u>807</u>	<u>645</u>	<u>12,204</u>
Total capital assets, depreciated, net	<u>11,259</u>	<u>(679)</u>	<u>1,513</u>	<u>9,067</u>
Non-major Enterprise Funds capital assets, net	<u>\$ 20,168</u>	<u>\$ 1,305</u>	<u>\$ 1,731</u>	<u>\$ 19,742</u>
Business-type activities capital assets, net	<u>\$ 145,725</u>	<u>\$ 21,260</u>	<u>\$ 13,396</u>	<u>\$ 153,589</u>

At June 30, 2002, the County made the following restatements to capital assets (in thousands):

Governmental activities capital assets as reported - June 30, 2002	\$ 612,210
Infrastructure assets for Watershed Protection District, net of accumulated depreciation of \$27,803	<u>195,528</u>
Governmental activities capital assets as restated - July 1, 2002	<u>\$ 807,738</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
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(Continued)

Depreciation

Depreciation expense was charged to governmental functions as follows (in thousands):

General government:	
General administration	\$ 2,756
Property management	325
Total general government	<u>3,081</u>
Public protection:	
Judicial	751
Police protection	1,688
Detention and correction	3,407
Fire	2,008
Watershed protection & soil & water conservation	2,202
Protective inspection	2
Other	488
Total public protection	<u>10,546</u>
Public ways and facilities	<u>1,283</u>
Health and sanitation services	<u>160</u>
Public assistance:	
Administration	27
Other	53
Total public assistance	<u>80</u>
Education	<u>132</u>
Capital assets held by the government internal service funds are charged to the various functions based on their usage of the assets.	<u>7,416</u>
Total depreciation expense - governmental functions	<u><u>\$ 22,698</u></u>

Depreciation expense was charged to the business-type functions as follows (in thousands):

Medical Center	\$ 4,662
Department of Airports	1,431
Waterworks Districts	1,151
Parks Department	404
Channel Islands Harbor Expansion	222
Channel Islands Harbor	181
Total depreciation expense - business-type functions	<u><u>\$ 8,051</u></u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Construction in Progress and Capital Projects Commitments

Construction in progress for governmental activities represents work being performed on the Juvenile Justice Complex and a number of smaller projects. Construction in progress in the business-type activities represents work being performed on the Medical Center and in the Waterworks District and a number of smaller projects.

Construction in progress and capital projects commitments are as follows (in thousands):

	Construction in Progress Balance June 30, 2003	Additional Committed Funds
Governmental activities	<u>\$ 111,065</u>	<u>\$ 18,857</u>
Business-type activities:		
Medical Center	\$ 16,025	\$ -
Department of Airports	1,489	145
Waterworks Districts	15,853	997
Parks Department	439	-
Channel Islands Harbor Expansion	190	-
Channel Islands Harbor	301	-
Oakview School Preservation	213	-
Total business-type activities	<u>\$ 34,510</u>	<u>\$ 1,142</u>

Long-term commitments for infrastructure construction contracts totaled \$4,448,000 (principally for roads and watershed protection projects) at June 30, 2003.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

NOTE 9 - ACCRUED LIABILITIES

Accrued liabilities at year-end of the County's major, non-major, and internal service funds in the aggregate are as follows (in thousands):

	General Fund	Roads	Watershed Protection	Fire Protection	Non-major Funds	Total Governmental Funds
<u>Governmental Funds</u>						
Accrued salaries and benefits	\$ 7,678	\$ -	\$ -	\$ 1,445	\$ 681	\$ 9,804
Audit disallowances:						
Mental Health Short Doyle	3,330	-	-	-	-	3,330
Courts maintenance of effort	612	-	-	-	-	612
SB 90	781	-	-	-	-	781
Accrued interest on tax and revenue anticipation notes	3,141	-	-	-	-	3,141
Clearing and other liabilities	28,990	130	165	45	1,036	30,366
Total	\$ 44,532	\$ 130	\$ 165	\$ 1,490	\$ 1,717	\$ 48,034
	Medical Center	Department of Airports	Waterworks Districts	Non-major Funds	Total Enterprise Funds	Internal Service Funds
<u>Proprietary Funds</u>						
Accrued salaries and benefits	\$ 1,300	\$ 38	\$ -	\$ 77	\$ 1,415	\$ 1,279
Estimated Medicare disallowance	3,718	-	-	-	3,718	-
Clearing fund and other liabilities	604	-	424	159	1,187	364
Total	\$ 5,622	\$ 38	\$ 424	\$ 236	\$ 6,320	\$ 1,643

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

NOTE 10 – LEASES

Operating Leases

The County is committed under various noncancelable operating leases (principally in the General Fund). Future minimum operating lease commitments are as follows (in thousands):

<u>Year ending June 30,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2004	\$ 3,575	\$ 612
2005	1,949	386
2006	1,362	235
2007	873	79
2008	643	9
2009-2013	<u>1,153</u>	<u>12</u>
Total Minimum Payments Required	<u>\$ 9,555</u>	<u>\$ 1,333</u>

Rental expense for County-wide operating leases was \$16,034,524 for the year ended June 30, 2003. Contingent rental revenues under operating leases are based on percentages of lessee sales and totaled approximately \$924,591 for the year ended June 30, 2003.

The Harbor, Parks Department, and Airport Enterprise funds lease properties to others under operating leases with terms of up to 97 years. The following is a summary of future minimum rental revenues on noncancelable leases at June 30, 2003 (in thousands):

<u>Year ending June 30:</u>	<u>Amounts:</u>	<u>Year ending June 30:</u>	<u>Amounts:</u>
2004	\$ 4,169	2049-2053	\$ 1,200
2005	3,861	2054-2058	721
2006	3,809	2059-2063	721
2007	3,697	2064-2068	721
2008	3,669	2069-2073	721
2009-2013	17,519	2074-2078	721
2014-2018	15,801	2079-2083	721
2019-2023	12,397	2084-2088	721
2024-2028	7,711	2089-2093	721
2029-2033	5,461	2094-2098	721
2034-2038	3,523	2099-2103	216
2039-2043	3,084		
2044-2048	2,044	Total	<u>\$ 94,650</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Capital Leases

The County has entered into certain capital lease agreements under which the related equipment will become the property of the County when all terms of the lease agreements are met. There were no capital leases in the governmental activities.

The following is a schedule of property leased under capital leases by major classes in the business-type activities at June 30, 2003 (in thousands):

	Business-Type Activities - <u>Parks Department</u>
Structures and improvements	\$ 789
Less: accumulated amortization	<u>631</u>
Total net of amortization	<u><u>\$ 158</u></u>

As of June 30, 2003, capital lease annual amortization is as follows (in thousands):

	Business-Type Activities - <u>Parks Department</u>
Year ending June 30:	
2004	\$ 17
2005	17
2006	16
2007	16
2008	15
2009-2013	63
Total requirements	<u>144</u>
Less: amount representing interest	<u>27</u>
Present value of remaining payments	<u><u>\$ 117</u></u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

NOTE 11 – LONG-TERM DEBT

Long-term obligations of the County consist of general obligation bonds, certificates of participation and lease revenue bonds, tax exempt commercial paper, loans payable, pension obligation bonds, capital leases, compensated absences, and other liabilities. Capitalized lease obligations are described further at Note 10.

General obligation bonds are not collateralized and are a direct obligation of the Watershed Protection Districts and Waterworks Districts with revenue for retirement of such bonds provided from ad valorem taxes on property within the districts.

Certificates of participation and lease revenue bonds are obligations of a public entity based on a lease agreement and are paid by lease payments from County departments/funds for use of the facilities or equipment constructed or purchased from the debt proceeds. Tax exempt commercial papers are unsecured short-term promissory notes issued with maturities ranging from two to 270 days. Pension obligation bonds provided funding for the unfunded actuarial accrued liability with respect to retirement benefits for County employees as of December 1, 1995.

Compensated absences are liabilities for vacation, vested sick leave benefits, and compensatory time reported as required by GASB Statement Nos. 18 and 34.

Other liabilities include the liability for medical malpractice insurance claims incurred but not reported (tail coverage) for General Fund health departments and the Leaking Underground Fuel Tanks (LUFT) obligations for Fire Protection District, Transportation Internal Service Fund, and Department of Airports.

The Public Facilities Corporation (PFC) has provided five separate issues of debt securities beginning with PFC I in 1976 that was used to build the Victoria Avenue administrative complex and justice center. Completed projects included in the current issue, PFC V 1998, are acquisition of the Knoll Drive building, renovation of the 646 County Square Drive building, generator/utility replacement at the Medical Center, and refinancing of the State Loan on the Harbor fuel dock.

The Public Financing Authority (PFA) was formed in August of 1998. The tax exempt commercial paper (TECP) was used to refund PFC I and is currently used to upgrade information systems and programs including the Ventura County Integrated Justice Information System (VCIJIS), renovation or acquisition of facilities, and acquisition of medical equipment.

On July 1, 2001, PFA issued \$75,975,000 of 2001 Certificates of Participation (COPs) Series A (PFAI) at a premium of \$2,602,000 in \$5,000 denominations with interest ranging from 4.00% to 5.25% to finance the following projects: (i) construction of a medical laboratory and dietary facility at the Medical Center, (ii) construction of a Juvenile Justice Facility, (iii) refinancing of an existing lease for the acquisition and refurbishment of two helicopters, (iv) finance the acquisition of generators for the 800 South Victoria Avenue County of Ventura Government Center and (v) advance refunding of the 1993 Certificates of Participation (Public Facilities Corporation IV) originally issued in the aggregate amount of \$34,765,000 and to fund a reserve fund, capitalized interest, a deposit to administrative expense fund, and to pay the cost of issuance.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Effective July 25, 2001, PFC defeased PFC IV Certificates of Participation by placing the proceeds from PFAI and other funds available from within PFC IV in an irrevocable trust to provide for all future debt service payments on the old certificates by December 1, 2003. Accordingly, the trust account assets and the liability for the defeased certificates are not included in the County's financial statements. At June 30, 2003, \$15,670,000 of certificates are considered defeased. There are no other prior year defeased bonds with an escrow agent.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Long-term liabilities and a summary of long-term liability transactions at June 30, 2003 consisted of the following (in thousands):

Type of indebtedness	Maturity	Interest Rates	Original Issue Amount
<u>Governmental activities:</u>			
<i>General Obligation Bonds:</i>			
Watershed Protection District	03/01/04	4.75 - 4.87%	\$ 2,435
<i>Certificates of Participation/Lease Revenue:</i>			
Public Facilities Corporation (PFC V)	08/15/03-08/15/13	4.00 - 4.625%	3,160
Public Financing Authority (2001) (General Fund)	08/15/03-08/15/16	4.00 - 5.375%	48,189
Public Financing Authority (2001) (General Services)	08/15/03-08/15/16	4.00 - 5.375%	4,365
Other Public Authorities Lease Revenue Bonds - Simi Valley Library	Completed	5.60%	2,850
Total Certificates Of Participation/ Lease Revenue Bonds			<u>58,564</u>
<i>Tax Exempt Commercial Papers:</i>			
Public Financing Authority	Rolling	Market	34,537
Public Financing Authority (Information Systems)	Rolling	Market	5,763
Total Tax Exempt Commercial Paper			<u>40,300</u>
<i>Loans Payable:</i>			
County Service Areas Loans Payable	11/16/03-11/16/08	6.60%	459
RAIN Rehabilitation Project - Lewis Road	08/01/03-08/01/05	Market	675
Piru Redevelopment Agency Loan Payable	N/A	N/A	150
Piru Redevelopment Agency USDA Loan (Maximum Commitment of \$750)	07/01/03-07/01/17	4.75%	677
Total Loans Payable			<u>1,961</u>
<i>Pension Obligation Bonds</i>	11/01/03-11/01/07	6.28 - 6.63%	154,510
Total Bonds, COPs, and Loans			<u>257,770</u>
<i>Compensated Absences</i>	N/A	N/A	-
<i>Other Liabilities</i>	N/A	N/A	-
Total Governmental Activities			<u>\$ 257,770</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Outstanding July 1, 2002	Additions and Transfers	Maturities and Transfers	Outstanding June 30, 2003	Amount Due Within One Year	Type of indebtedness
					<u>Governmental activities:</u>
					<u>General Obligation Bonds:</u>
\$ 575	\$ -	\$ 280	\$ 295	\$ 295	Watershed Protection District
					<u>Certificates of Participation/Lease Revenue:</u>
2,695	-	180	2,515	185	Public Facilities Corporation (PFC V)
48,189	-	2,046	46,143	2,174	Public Financing Authority (2001) (General Fund)
4,365	-	200	4,165	220	Public Financing Authority (2001) (General Services)
200	-	200	-	-	Other Public Authorities Lease Revenue Bonds - Simi Valley Library
55,449	-	2,626	52,823	2,579	Total Certificates Of Participation/ Lease Revenue Bonds
					<u>Tax Exempt Commercial Papers:</u>
17,810	24,695	5,305	37,200	5,314	Public Financing Authority
3,903	-	789	3,114	792	Public Financing Authority (Information Systems)
21,713	24,695	6,094	40,314	6,106	Total Tax Exempt Commercial Paper
					<u>Loans Payable:</u>
208	-	24	184	26	County Service Areas Loans Payable
-	675	-	675	336	RAIN Rehabilitation Project - Lewis Road
130	-	-	130	-	Piru Redevelopment Agency Loan Payable
-	677	-	677	39	Piru Redevelopment Agency USDA Loan
338	1,352	24	1,666	401	Total Loans Payable.
103,180	-	13,880	89,300	15,830	<u>Pension Obligation Bonds</u>
181,255	26,047	22,904	184,398	25,211	Total Bonds, COPs, and Loans
46,057	22,848	18,760	50,145	20,692	<u>Compensated Absences</u>
1,586	722	261	2,047	920	<u>Other Liabilities</u>
\$ 228,898	\$ 49,617	\$ 41,925	\$ 236,590	\$ 46,823	Total Governmental Activities

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Type of indebtedness	Maturity	Interest Rates	Original Issue Amount
<u>Business-type Activities - Major Funds:</u>			
Medical Center			
PFC V	08/15/03-08/15/13	4.00 - 4.625%	\$ 8,695
PFA I	08/15/03-08/15/16	4.00 - 5.375%	23,421
PFA TECP	Rolling	Market	3,753
Total Medical Center			<u>35,869</u>
Airports			
DOT Airport Loan Program	08/13/03-08/13/15	4.984%	240
DOT Airport Loan Program	05/13/03-05/13/14	4.635%	260
Total Airports			<u>500</u>
Waterworks District			
General Obligation Bonds	Completed	6.75%	220
General Obligation Bonds	07/15/03-07/15/03	7.25%	215
General Obligation Bonds	07/01/03-07/01/03	5.625%	290
Total Waterworks GO Bonds			<u>725</u>
Waterworks Dist - State Water Loan	04/01/03-04/01/14	3.371%	260
Waterworks Dist Revolving Fund Loan	09/01/03-09/01/22	2.60%	976
(Maximum Commitment of \$1,769)			
Total Waterworks Loans			<u>1,236</u>
Total Waterworks District			<u>1,961</u>
<u>Business-type Activities - Non-major Funds:</u>			
Harbor Fuel Dock PFC V	08/15/03-08/15/13	4.00 - 4.625%	530
Harbor Expansion Loan	06/15/03-06/15/12	5.00%	450
Harbor Expansion State Recreation Loan	08/01/03-08/01/05	4.50%	1,225
Harbor Expansion State Recreation Loan	08/01/03-08/01/09	4.50%	4,668
Harbor Expansion Department of Boating and Waterways	08/01/03-08/01/32	4.50%	93
(Maximum Commitment of \$5,000)			
Oak View School PFA TECP	Rolling	Market	1,200
Total Non-Major Business-type			<u>8,166</u>
Total Bonds, COPs, and Loans			<u>46,496</u>
<i>Total Capital Lease Obligations - Parks</i>	Monthly to 02/13	4.75%	311
<i>Total Compensated Absences</i>	N/A	N/A	-
<i>Total Other Liabilities</i>	N/A	N/A	-
Total Business Activities			<u>\$ 46,807</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Outstanding July 1, 2002	Additions and Transfers	Maturities and Transfers	Outstanding June 30, 2003	Amount Due Within One Year	Type of indebtedness
<u>Business-type Activities - Major Funds:</u>					
<u>Medical Center</u>					
\$ 8,175	\$ -	\$ 540	\$ 7,635	\$ 565	PFC V
23,420	-	888	22,532	942	PFA I
2,087	875	406	2,556	525	PFA TECP
33,682	875	1,834	32,723	2,032	Total Medical Center
<u>Airports</u>					
211	-	10	201	11	DOT Airport Loan Program
227	-	14	213	15	DOT Airport Loan Program
438	-	24	414	26	Total Airports
<u>Waterworks District</u>					
10	-	10	-	-	General Obligation Bonds
35	-	15	20	20	General Obligation Bonds
45	-	20	25	25	General Obligation Bonds
90	-	45	45	45	Total Waterworks GO Bonds
162	-	10	152	10	Waterworks District - State Water Loan
-	976	-	976	38	Waterworks District Revolving Fund Loan
162	976	10	1,128	48	Total Waterworks Loans
252	976	55	1,173	93	Total Waterworks District
<u>Business-type Activities - Non-major Funds:</u>					
450	-	30	420	30	Harbor Fuel Dock PFC V
250	-	20	230	20	Harbor Expansion Loan
287	-	67	220	70	Harbor Expansion State Recreation Loan
2,205	-	235	1,970	246	Harbor Expansion State Recreation Loan
-	93	-	93	3	Harbor Expansion Department of Boating and Waterways
-	1,424	495	929	54	Oak View School PFA TECP
3,192	1,517	847	3,862	423	Total Non-Major Business-type
37,564	3,368	2,760	38,172	2,574	Total Bonds, COPs, and Loans
129	-	12	117	12	Total Capital Lease Obligations - Parks
3,254	2,305	1,973	3,586	2,130	Total Compensated Absences
950	-	604	346	99	Total Other Liabilities
\$ 41,897	\$ 5,673	\$ 5,349	\$ 42,221	\$ 4,815	Total Business Activities

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

As of June 30, 2003, annual debt service requirements of governmental activities to maturity are as follows (in thousands):

Year ending June 30:	General Obligation Bonds		Certificates of Participation		Tax Exempt Commercial Paper		Loans Payable		Pension Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 295	\$ 14	\$ 2,579	\$ 2,384	\$ 6,106	\$ 504	\$ 401	\$ 30	\$ 15,830	\$ 5,328
2005	-	-	4,401	2,247	6,309	383	235	42	17,970	4,234
2006	-	-	4,569	2,060	2,762	260	302	37	20,315	2,986
2007	-	-	4,760	1,862	2,816	205	72	34	22,875	1,569
2008	-	-	4,969	1,650	1,622	150	76	29	12,310	408
2009-2013	-	-	18,685	5,391	4,712	319	346	94	-	-
2014-2018	-	-	12,860	1,371	1,124	61	234	28	-	-
Total requirements	\$ 295	\$ 14	\$ 52,823	\$ 16,965	\$ 25,451	\$ 1,882	\$ 1,666	\$ 294	\$ 89,300	\$ 14,525

The debt service schedule for Tax Exempt Commercial Paper excludes \$14,863,000 of uncommitted funds of the total outstanding of \$43,800,000, governmental and business-type debt. The uncommitted funds were committed in fiscal year 2003-04 funded by Public Facilities Authority PFAII as described in Note 17.

Interest payments and lease revenue bonds and certificate of participation retirements are serviced by revenues generated from lease payments made by the General Fund on leased facilities.

As of June 30, 2003, annual debt service requirements of business-type activities for major funds and non-major funds to maturity are as follows (in thousands):

<u>MEDICAL CENTER</u>		Certificates of		Tax Exempt		<u>AIRPORTS</u>			
	<u>Participation</u>		<u>Commercial Paper</u>			<u>Loans Payable</u>			
<u>Year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Year ending June 30:</u>	<u>Principal</u>	<u>Interest</u>		
2004	\$ 1,507	\$ 1,344	\$ 525	\$ 51	2004	\$ 26	\$ 19		
2005	2,508	1,263	536	41	2005	27	19		
2006	2,610	1,158	547	29	2006	30	17		
2007	2,715	1,047	558	19	2007	32	16		
2008	2,831	926	127	8	2008	33	15		
2009-2013	11,026	3,030	263	8	2009-2013	199	45		
2014-2018	6,970	684	-	-	2014-2018	67	7		
2019-2023	-	-	-	-	2019-2023	-	-		
2024-2028	-	-	-	-	2024-2028	-	-		
2029-2033	-	-	-	-	2029-2033	-	-		
Total	\$ 30,167	\$ 9,452	\$ 2,556	\$ 156	Total	\$ 414	\$ 138		

<u>WATERWORKS DISTRICT</u>						<u>NON-MAJOR FUNDS</u>					
General						Certificates of					
						Tax Exempt					
						Participation					
						Commercial Paper					
						Loans Payable					
Year ending June 30:						Year ending June 30:					

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Legal Debt Limit

The County's legal annual debt limit as of June 30, 2003 is approximately \$835,991,000. The County's legal debt limit is set by statute at 1.25 percent of total assessed valuation. The general bonded debt per capita is \$0.43. The general obligation debt subject to the debt limit is \$222,570,000.

Arbitrage

The Internal Revenue Code of 1986, Sections 103 and 141 through 150, restricts the amount of interest earned on the proceeds of tax-exempt issuances. The interest earnings rate cannot exceed the yield on the tax-exempt borrowings. The issuer is required to rebate any excess earnings to the federal government.

Every fifth year, until the last COP is paid or redeemed, an arbitrage calculation is required by the Internal Revenue Service. At least 90 percent of the arbitrage calculation is required to be paid at the installment due date. As of June 30, 2000, 100 percent of the arbitrage has been paid. The trustee yield-restricted all investments in accordance with the trustee's agreement; therefore, the arbitrage rebate amount should not fluctuate significantly in future years.

Special Assessment Debt

As of June 30, 2003, special assessment bonds were outstanding in the amounts of \$3,895,000 of Local Agency Revenue Bonds, 1998 Series "A", and \$3,695,000 of Limited Obligation Refunding Improvement Bonds for Reassessment District No. 98-1 (Lake Sherwood). On August 26, 1998, the PFA, a joint powers agreement between the County and the Lake Sherwood Community Services District, issued the Local Agency bonds and used the proceeds to purchase the Limited Obligation Bonds from the County. The payment for the Limited Obligation Bonds was used to refund the original District 90-1 (Lake Sherwood) Bonds.

On August 2, 2002, the Oak View School Preservation and Maintenance District was formed to purchase and rehabilitate the Oak View School for a community park and family resource center. Total funding up to \$1.4 million was approved. The funding was provided by a \$1,424,000 bridge loan from tax exempt commercial paper offset by grant funds of \$495,000. The cost of debt payments over the thirty year period and operations will be paid solely from benefit assessments.

The County acts as an agent for the property owners in collecting assessments for these districts, forwarding the collections to the bondholders, and initiating foreclosure proceedings, if appropriate. However, the County is not obligated in any manner for repayment of these special assessment bonds. The Lake Sherwood bonds are not reported in the accompanying financial statements. The County directly administers the Oak View School project and the related PFA debt; therefore, the debt, along with other PFA issued County debt, is included in the accompanying financial statements.

NOTE 12 – NET ASSETS/FUND BALANCES

The government-wide and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

- *Invested In Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted Net Assets* – This category represents assets subject to external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Outstanding debt attributable to these assets reduce the balance of this category.
- *Unrestricted Net Assets* – This category represents net assets of the County, not restricted for any project or other purpose. Outstanding debt attributable to these assets reduce the balance of this category.

Government-wide Statement of Net Assets

Restricted net assets are reported in the government-wide statement of net assets as follows (in thousands):

	Governmental Activities	Business-type Activities	Total
Restricted by creditors	\$ 451	\$ 11,399	\$ 11,850
Restricted by regulations of other governments	-	1,620	1,620
Restricted by grantors	51,529	1,424	52,953
Total	<u>\$ 51,980</u>	<u>\$ 14,443</u>	<u>\$ 66,423</u>

Fund Statement - Fund Balances

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted for use for a specific purpose. Reserved fund balances at June 30, 2003 are reserved for the following purposes (in thousands):

	General Fund	Roads	Watershed Protection Districts	Fire Protection District	Non-Major Funds	Total
Reserved Fund Balances						
Encumbrances	\$ 9,706	\$ 4,310	\$ 3,011	\$ 6,294	\$ 230	\$ 23,551
Long-term receivables and advances	975	-	-	-	1,184	2,159
Imprest cash funds	280	-	-	-	1	281
Inventory	34	-	-	842	30	906
Debt service	-	-	-	-	15,991	15,991
Other legal restrictions	18,240	-	-	-	1,122	19,362
General reserve	6,600	-	-	-	22	6,622
Total reserved fund balances	<u>\$35,835</u>	<u>\$ 4,310</u>	<u>\$ 3,011</u>	<u>\$ 7,136</u>	<u>\$ 18,580</u>	<u>\$ 68,872</u>

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

- *Encumbrances* – to reflect the outstanding contractual obligations for which goods and services have not been received.
- *Long-term receivables* – to reflect the amount of advances and loans that are long-term in nature. Such amounts do not represent available spendable resources.
- *Imprest cash* - to reflect the portion of assets set aside for the purpose of minor disbursements or disbursements for a specific purpose.
- *Inventories* – to reflect the portion of assets which do not represent available spendable resources.
- *Debt service* – to reflect the funds held by trustees or fiscal agents for future payment of bond principal and interest. These funds are not available for general operations.
- *Other legal restrictions* – to reflect the portion of assets subject to externally imposed restrictions. Such amounts are not available for general operations.
- *General reserve* - to reflect the funds established for legally declared emergencies. Such reserves may be released only to meet emergencies as defined in Government Code Section 29127.

In the fund financial statements, governmental funds report unreserved fund balances which include Board approved unreserved designated fund balances and the unreserved undesignated fund balance. Unreserved fund balances at June 30, 2003 are as follows (in thousands):

	General Fund	Roads	Watershed Protection Districts	Fire Protection District	Juvenile Justice Complex	Non-Major Funds	Total
Designated Fund Balances							
Contingency	\$ 8,495	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,495
Litigation	441	-	233	-	-	-	674
Juvenile facilities	1,844	-	-	-	-	-	1,844
Capital asset acquisition and replacement	5,000	-	-	4,228	-	105	9,333
Low and moderate housing	-	-	-	-	-	229	229
Future road projects	-	5,434	-	-	-	-	5,434
Future watershed protection projects	-	-	2,890	-	-	-	2,890
Future year financing	26,045	9,019	20,886	1,738	-	3,823	61,511
Total designated balances	41,825	14,453	24,009	5,966	-	4,157	90,410
Undesignated Fund Balances	41,890	25,872	56,908	13,372	(8,019)	21,216	151,239
Total unreserved fund balances	\$ 83,715	\$ 40,325	\$ 80,917	\$ 19,338	\$ (8,019)	\$ 25,373	\$ 241,649

The Board has established certain fund balances designated for future purposes that represent tentative management plans that are subject to change. Some of the designations are held for a short time preliminary to special use, such as the opening of the juvenile justice facility. Other designations are set aside for longer periods for use in the future, whether for emergency, planned usage or savings. GASB 34 requires these designated balances to be included in the unreserved fund balance because the Board may elect to make the designations available. The designation for future year financing includes \$15.7 million for Tobacco Settlement health purposes.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

The unreserved undesignated fund balances are considered available for appropriation. Some of the amounts available are held in County "trust funds" and as required by GASB 34 are recognized as revenue, deferred revenue or liabilities. However, for budgetary purposes, most of these trust balances may be included in subsequent years' budgets.

The presentation of fund balances represents a reclassification from the presentation at June 30, 2002 when the designations were included as part of the reserved fund balance. The total fund balance at June 30, 2002 remains the same at \$290,260,000. The total reserved fund balance is reclassified to \$69,022,000 including general reserves, and the total unreserved fund balance to \$221,238,000, an increase in the amount of \$87,925,000 to unreserved fund balance at June 30, 2002.

NOTE 13 – PENSION PLANS

VCERA Plan

(a) Plan Description

The County has a contributory defined benefit plan (Plan) established pursuant to Government Code Sections 31450 through 31899 and administered by the VCERA. VCERA operates a cost-sharing, multiple-employer system with substantially all member employers included in the County's primary government reporting entity. Covered employees include those from Courts, Air Pollution Control District and other smaller special districts. Due to the relative insignificance of the non-County employers participating in the plan, the County has elected to include financial statement disclosures required for a single-employer plan. Membership in the VCERA is mandatory for substantially all employees.

VCERA is governed by the Board of Retirement. The Plan's benefit provisions and contribution requirements are established by state law and resolutions and ordinances adopted by the Board of Retirement and Board of Supervisors. VCERA issues a stand-alone financial report. A copy of this report can be obtained by contacting the Retirement Association at 1190 South Victoria Avenue, Suite 200, Ventura, California, 93003.

Plan members are classified as either General or Safety categories. General members employed prior to or on June 29, 1979 and certain other employees before June 30, 2002 are designated as Tier I members. General members employed after June 29, 1979 are designated as Tier II members. All Safety members are classified as Tier I regardless of date of hire and include eligible Sheriff's Department, Fire Department, and District Attorney employees.

(b) Retirement Benefits

A General or Safety member with 10 or more years of County service is entitled to an annual retirement allowance beginning at age 50. General members with 30 or more years of service and Safety members with 20 or more years of service may begin receiving a retirement allowance regardless of age. The basic retirement allowance is based upon the member's age, years of retirement service credit, and final average compensation.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Employees terminating before accruing five years of retirement service credit (five-year vesting) forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning five years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement.

In addition, certain death, disability, and supplemental benefits are provided to eligible employees. Cost of living adjustments of up to three percent per annum are made for all Tier 1 employees.

(c) Actuarially Determined Contribution Requirements

The funding policy provides for periodic employer and employee contributions at actuarially determined rates, expressed as level percentages of annual covered payroll, that are sufficient to accumulate the required assets to pay benefits when due. The smoothing of market value method is used to determine the actuarial value of assets. In accordance with various employee collective bargaining agreements, the County subsidizes the employees' regular contributions in various amounts, depending on the classification of the employee. Contribution rates for employees range from 4.32 percent to 8.65 percent of retirement compensation base. Contribution rates are determined using the entry age normal actuarial cost method. Under this method, normal cost and the amortization of the unfunded actuarial accrued liability is expressed as a level percentage of payroll.

Employee and employer contribution rates in effect during fiscal year 2002-03 were based on the actuarial valuation performed as of June 30, 2001. The significant actuarial assumptions in the June 30, 2003 actuarial valuation are summarized as follows:

	<u>Assumptions</u>
(1) Rate of return on investment	8.00%
(2) Projected salary increases	5.00%
Amount attributable to inflation	4.25%
Amount attributable to seniority and merit	0.75%
(3) Annual cost of living increases after retirement (Tier 1 members only)	3.00%

(d) Contributions and Transfers Made

As a condition of participation, employees are required to contribute a percentage of their annual compensation to the Plan. The balance of member contributions, General and Safety, on deposit at June 30, 2003, was \$360,234,000. The County's contribution to the Plan, based on actuarially determined percentages of payroll costs, together with employees' contributions, are intended to provide the defined benefits of the Plan. Employer contributions on deposit at June 30, 2003 were \$336,482,000.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

No employer contributions were made in fiscal years 2000-01, 2001-02, and 2002-03. These contributions represent 100 percent of the annual pension cost required for fiscal years 2001, 2002, and 2003. Therefore, in accordance with GASB Statement No. 27, there is no net pension obligation for fiscal years 2001, 2002, and 2003.

The County also made other employer contributions. Payments were made on behalf of employees as a result of employer-employee negotiations for fiscal years 2000-01, 2001-02, and 2002-03, in the amounts of \$4,833,000, \$5,105,000, and \$5,384,000, respectively. The negotiated amounts are credited to the County Advance Reserves of VCERA and do not vest with the employee.

The employees contributed \$9,719,000 (or 2.13 percent of a covered payroll), including \$2,457,000 for purchase of service credits in fiscal year 2002-03. In addition, the County contributed \$16,260,000 on behalf of the employees as a "pickup" of employee contributions as a result of the employer-employee negotiations. This was credited to the individual employee accounts.

(e) Required Supplementary Information (Unaudited)

The supplemental schedule of funding progress for the three most recent actuarial valuations is as follows (in thousands):

Actuarial Valuation June 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Funding Excess) AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	(Funding Excess) AAL as a Percentage of Covered Payroll ((b-a)/c)
2001	\$ 2,119,044	\$ 1,776,565	\$ (342,479)	119.28%	\$ 387,401	(88.40)%
2002	\$ 2,128,354	\$ 1,918,585	\$ (209,769)	110.93%	\$ 419,048	(50.06)%
(1) 2003	\$ 2,057,493	\$ 2,202,018	\$ 144,525	93.44%	\$ 455,789	31.71%

(1) After change in economic and demographic assumptions.

(f) Investment Valuation

VCERA's investments are stated at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. The fair value of the VCERA's position in their trustee's investment pool is the same as the value of the pool shares. Other than those investments issued or guaranteed by the United States Government, no investments in any one organization represent five percent or more of net plan assets.

Supplemental Retirement Plan

(a) Plan Description

The SRP is a single employer contributory defined benefit pension plan governed by the Board of Supervisors and provisions of Internal Revenue Code Section 401. The SRP was adopted on January 1, 1992, and amended on August 31, 1993 and in April 2001. A separate financial statement is not issued by SRP. The schedule of funding progress and schedule of employer contributions are included in the Required Supplementary Information section of this report.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

SRP has three parts. Part B, the "Safe Harbor" Plan, provides retirement benefits to County employees whose employment with the County does not otherwise entitle them to retirement benefits under the County's 1937 Act Retirement Plan or the Social Security Act and is in compliance with the Omnibus Budget Reconciliation Act of 1990. Part C, the "Golden Handshake" Plan, provides early retirement benefits to County employees pursuant to periodic early retirement incentive programs adopted by the County and is a tax qualified pension plan under Internal Revenue Code Section 401(a). Eligible employees are vested upon enrollment. Part D, the Elected Department Head benefit, became part of SRP in April 2001 and provides a supplemental retirement benefit to the County's elected department heads for retirement parity with appointed agency/departments heads.

The plan year of the SRP is the County's fiscal year. The actuarial covered payroll for all employees covered by SRP for the fiscal year ended June 30, 2003 was \$10,197,000 for Part B and \$956,000 for Part D based on the actuarial valuation report as of June 30, 2003.

Plan membership at June 30, 2003 was as follows:

<u>Member Classification</u>	<u>Number of Members</u>
Retirees and beneficiaries currently receiving benefits:	
Supplemental Retirement members (Safe Harbor)	53
Early Retirement members (Golden Handshake)	42
Elected Department Head members	4
Current employees members:	
Supplemental Retirement members (Safe Harbor)	702
Elected Department Head members	6
Total	807

(b) Basis of Accounting

The accompanying financial statements were prepared on the accrual basis. Investment income is recognized when earned, and investment and administrative expenses are recorded when incurred. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefit payments and member refunds are recognized when due and payable in accordance with the terms of the Plan.

(c) Benefits

Under Safe Harbor, a participant's monthly benefit or lump sum benefit is based on the total amount of compensation for the period of the participant's benefit accrual service for the last 30 years of participation. The participant is entitled to the benefit at age 65, or the termination of employment, whichever is later. The benefit will be payable as a single life annuity or if the actuarial present value of the accrued benefit is not more than \$5,000, in lieu of the monthly benefit, a one-time lump sum amount will be paid. If the participant dies before retirement benefits begin, the participant's beneficiary will be entitled to receive a lump-sum death benefit payment.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Under Golden Handshake, the benefit is a monthly retirement benefit payable to the participant for life. Upon the death of the participant, the monthly retirement benefit shall be paid to the participant's surviving spouse, if any, for life.

The Elected Department Head benefit is a supplemental monthly retirement benefit payable to the participant for life. Upon the death of the participant, the monthly retirement benefit shall be paid to the surviving spouse for life, depending on the retirement payment option selected.

(d) Actuarially Determined Contribution Requirement

The funding policy provides for periodic employer and employee contributions at actuarially determined rates expressed as percentages of annual covered payroll that are sufficient to accumulate the required assets to pay benefits when due. The actuarial cost method for Parts B and C is the traditional Unit Credit Cost method and for Part D, the Entry Age Normal method. The actuarial value of assets is fair value. The amortization method for Parts B and C is Level Dollar and for Part D is Level Percentage of Pay. The remaining amortization period is 10 years (rolling).

The current assumptions for funding purposes are based on the actuarial valuation report as of June 30, 2003.

	<u>Assumptions</u>
(1) Assumed rate of investment earnings	8%
(2) Assumed Group Annuity Mortality Table	CalPers (Plan B) 1983 Group (Plans C and D)
(3) Salary projection rate	4%
(4) Inflation rate	3%
(5) Cost of living	0-3%

(e) Contributions

Contribution information for the three plans in SRP is as follows:

- Safe Harbor: Each participant contributes three percent of compensation to the plan on a pre-tax basis. Employee contributions cease upon attainment of 30 years of Benefit Accrual Service. The balance of member contributions at fair value on deposit at June 30, 2003 was \$4,874,000. There were no employer contributions for fiscal year 2002-03. Based on a projected unfunded accrued liability at June 30, 2004 of \$1,277,000, employer contributions of 2.23 percent of covered payroll will be proposed for fiscal year 2004-05. Employee contributions were \$292,000 (or 2.86 percent of covered payroll) for the fiscal year 2002-03.
- Golden Handshake: This benefit is funded by employer contributions.
- Elected Department Heads: The benefit is funded by employer contributions amounting to \$117,000 in 2002-03.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

The balance of employer contributions for SRP at fair value on June 30, 2003 was \$2,217,000. Employer contributions were \$128,000 in fiscal years 2000-01 and 2001-02 and \$117,000 in fiscal year 2002-03. These contributions represent 100 percent of the actuarially determined annual pension cost required for fiscal year 2000-01, 109 percent for fiscal year 2001-02, and 79 percent for fiscal year 2002-03. The annual required contribution equals normal cost minus expected employee contributions as applicable plus 10 years amortization of the unfunded actuarial accrued liability. The Schedule of Funding Progress and Schedule of Employer Contributions are included in Required Supplementary Information.

The fair value of the SRP investment portfolio increased in fiscal year 2002-03 by \$118,000. Total deductions of \$396,000 are due to benefit payments and administrative costs.

(f) Administrative Expenses

The costs of administration of the Plan shall be paid from the Plan, as long as the expenses are considered reasonable by the Plan Administrator. Such expenses shall include, but are not limited to, expenses for professional, legal, accounting, actuarial, and investment services. Administrative expenses for fiscal year 2002-03 totaled \$166,000.

Management Retiree Health Payment

On June 8, 1999, the Board adopted a new benefit for management employees. Employees who retired after July 1, 1999 became eligible to receive one year of payments for five years of service, up to a maximum of five years of coverage. Payments of approximately \$323 per month were equivalent to premiums for the Ventura County Health Care Plan. Total payments in fiscal year 2002-03 were \$419,000. Estimated total payments for fiscal year 2003-04 are \$662,000. The payments do not constitute any guarantee of medical care benefits.

NOTE 14 - TAX AND REVENUE ANTICIPATION NOTES PAYABLE

On July 2, 2002, the County issued \$105,000,000 in Tax and Revenue Anticipation Notes (Notes) at a 3.00 percent interest rate, priced to yield 1.66 percent, to meet current year cash flow requirements for operational needs. At June 30, 2003, the outstanding principal was \$105,000,000. Principal and interest for fiscal year 2002-03 was paid on July 1, 2003, the maturity date of these notes.

The Notes, in accordance with California law, are general obligations of the County and are payable from fiscal year 2002-03 taxes and other revenues, which are legally available for payment thereof.

The summary of the notes transactions for the fiscal year ended June 30, 2003 is as follows (in thousands):

Beginning Balance June 30, 2002	Additions	Reductions	Ending Balance June 30, 2003	Due Within One Year
\$ 80,000	\$ 105,000	\$ 80,000	\$ 105,000	\$ 105,000

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

NOTE 15 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; hospital liability (malpractice); errors and omissions; theft of, damage to, and destruction of assets; and natural disasters for which the government is either self-insured, commercially insured, or a combination of both.

The Human Resources Department acquired commercial insurance for primary group medical and long-term disability insurance. Unemployment insurance benefits are self-insured and administered by the Human Resources Department within the Employee Benefits Insurance Internal Service Fund. Professional Firefighters and Deputy Sheriffs Associations also administer commercial group medical insurance plans available for their members.

The Ventura County Health Care Plan (VCHCP), administered by the Health Care Agency, provides a County self-insured medical plan for County employees. In addition, a separate self-insured plan is offered to certain other County employees and to related clinic employees through their employers. A state Healthy Families plan is also available from VCHCP. Excess commercial coverage is also purchased for VCHCP.

The County is the State administrator for the mental health managed care programs for inpatient care effective January 15, 1995, and outpatient care effective April 1, 1998. Future capitated rates will be set by the State.

The Risk Management Department within the General Insurance Internal Service Fund administers the commercial and self-insurance aspects of the County's casualty risk programs. General liability is self-insured to \$500,000 per occurrence, thereafter, covered by excess commercial liability insurance to \$20 million per occurrence, then self-insured to an unlimited amount. Medical malpractice liability insurance provides deductibles of \$100,000 per claim and provides liability coverage up to \$50 million per incident. Medical malpractice tail coverage is self-insured. Workers' compensation occurrences are self-insured effective July 1, 2002 with coverage for all employees. The tail liability is covered by the prior commercial insurer up to \$22,800,000. There were no claims settlements that have exceeded insurance coverages during the past three fiscal years.

As described in Note 3 - Deficit Fund Balance/Net Assets, the General Insurance internal service fund had deficit net assets of \$990,000. The workers compensation component, in its first year of self-insured operation, accounted for \$5,944,000 of the deficit. The hazardous materials and general liability components had positive net assets. The County expects to eliminate the workers' compensation deficit over a five-year period through increased rates.

The unpaid claims liabilities included in the self-insurance fund are based on actuarial studies and include amounts for claims incurred but not reported. Beginning with fiscal year 1994-95, the General Insurance liabilities were discounted at 5.5 percent. The revenue received, including interest, and contribution funded liabilities, and net assets are sufficient to meet liabilities as they come due.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Changes in the balances of claims liabilities of General Insurance and Employee Benefits Internal Service Funds and Health Care Plan Enterprise Fund during fiscal years 2001-2002 and 2002-2003 are as follows (in thousands):

	<u>2002</u>	<u>2003</u>
Accrued insurance losses, beginning	\$ 18,901	\$ 19,955
Incurred losses	17,048	41,168
Claim payments	<u>(15,994)</u>	<u>(19,005)</u>
Accrued insurance losses, ending	<u>\$ 19,955</u>	<u>\$ 42,118</u>

NOTE 16 – CONTINGENCIES

State Audits

A State Controller's Office (SCO) audit in fiscal year 1999-2000 found that the County overstated the one-time Educational Revenue Augmentation Fund (ERAF) shift credit in the amount of \$6,960,000. The SCO claims that the County used an incorrect cut-off date for claiming the available credit resulting in an underpayment by the County to the ERAF. The SCO denied an administrative appeal. A legislative appeal was not finalized during the past sessions and will be appealed again in the next legislative session. Any liability will be covered by available resources and will not have a material adverse effect on the County's operation or financial position.

Audit of Handicapped and Disabled Students Claim

The State Controller's Office audited claims filed for providing mental health services to children under the Senate Bill 90 Mandated Costs Reimbursement Program for Fiscal Years 1998-1999 and 1999-2000. The County will continue to appeal the remaining \$677,000 in disallowances with a possible revenue offset of \$525,000. The issues are medicine monitoring, crisis intervention and assessment, and treatment costs not specifically itemized in the claim's parameters and guidelines. The audit for fiscal year 2000-2001 has been scheduled.

Grants

The County recognizes as revenue grant monies received as reimbursement for costs incurred in certain federal and state programs it administers. The County's grant programs have been audited through June 30, 2003 under the requirements of the Single Audit Act of 1997 and OMB Circular A-133. Such programs are generally subject to review and audit by the grantor agencies. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant or in reductions of future grant monies. A designation for contingencies in the amount of \$8,495,000 is set up in the General Fund for this possibility. Based upon prior experience, management believes that grant costs ultimately disallowed, if any, would not materially affect the financial condition of the County.

COUNTY OF VENTURA
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Other

Legal proceedings normally occur related to construction projects and are subject to agreement by arbitration. Claims are negotiated by the County of Ventura. In the opinion of management, current claims are not likely to have a material adverse impact on the County financial statements and accordingly no provision for losses has been recorded.

NOTE 17 – SUBSEQUENT EVENTS

Public Safety Litigation

On July 16, 2003, the District Attorney and Sheriff filed a lawsuit against the County Board alleging the Board has under funded their departments in violation of the Public Safety Ordinance 4088. Interpretation of the funding provided by the General Fund for “any associated inflationary costs” is a key issue. Subsequently, the Board filed a countersuit challenging the legality of the funding law, asserting that it interfered with their authority to set annual spending plans.

On October 17, 2003, a judgement and subsequent settlement agreement were filed and funds released in the amount of \$2,475,000 representing special and general damages for physical and emotional injuries and attorney fees related to an action by a Sheriff’s deputy in May, 2000. General insurance liabilities reported at June 30, 2003 include provisions for such claims.

Tax and Revenue Anticipation Notes

On July 1, 2003, the County issued \$105,000,000 of 1.50 percent fixed-rate, priced to yield 0.90 percent, tax and revenue anticipation notes. The notes received SP-1+ and MIG1 ratings from Standard and Poor’s Corporation and Moody’s Investors Services, respectively. Proceeds from the notes will be used to meet fiscal year 2003-04 expenditures including capital expenditures and the discharge of other obligations of the County. The maturity date of the notes is July 1, 2004.

New Issue of Certificates of Participation by the Public Financing Authority

The Public Financing Authority issued certificates of participation in an amount not to exceed \$32,000,000 on October 30, 2003. The proceeds of the sale will be used by the County of Ventura to finance the following projects as PFA II: (i) construction of a Juvenile Justice Complex Courthouse; (ii) retirement of maturing tax-exempt commercial paper issued by the County to finance the construction of the Juvenile Justice Complex Courthouse and the acquisition of the Gonzales Road Regional Public Health Care Building (estimated at \$16,500,000); (iii) to fund a reserve fund; (iv) to fund capitalized interest on the Courthouse Project Component; and (v) to pay cost of issuance.

**REQUIRED
SUPPLEMENTARY
INFORMATION
(OTHER THAN MD & A)
(UNAUDITED)**



COUNTY OF VENTURA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

SUPPLEMENTAL RETIREMENT PLAN

Schedule of Funding Progress
(In Thousands)

(1)	Fiscal Year Ending June 30	Actuarial Valuation	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Funding Excess) AAL (b- a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	Unfunded (Funding Excess) AAL as a Percentage of Covered Payroll ((b-a)/c)
B	2001	6/30/01	\$ 6,516	\$ 5,875	\$ (641)	111%	\$ 10,015	(6.40%)
B	2002	6/30/02	\$ 5,876	\$ 6,622	\$ 746	89%	\$ 9,805	7.61%
B	2003	6/30/03	\$ 6,026	\$ 7,398	\$ 1,372	81%	\$ 10,197	13.45%
C	2001	6/30/01	\$ 718	\$ 693	\$ (25)	104%	N/A	N/A
C	2002	6/30/02	\$ 568	\$ 672	\$ 104	85%	N/A	N/A
C	2003	6/30/03	\$ 501	\$ 658	\$ 157	76%	N/A	N/A
D	2001	6/30/01	\$ 185	\$ 993	\$ 808	19%	\$ 789	102.41%
D	2002	6/30/02	\$ 251	\$ 1,395	\$ 1,144	18%	\$ 919	124.48%
D	2003	6/30/03	\$ 306	\$ 1,458	\$ 1,152	21%	\$ 956	120.50%

Schedule of Employer Contributions
(In Thousands)

(1)	Fiscal Year Ending June 30	Actuarial Valuation Date	Annual Required Contribution	Actual Contribution	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Cost
B	2001	6/30/01	\$ -	\$ -	\$ -	N/A	\$ -
B	2002	6/30/02	\$ -	\$ -	\$ -	N/A	\$ -
B	2003	6/30/03	\$ 139	\$ -	\$ 139	0%	\$ 139
C	2001	6/30/01	\$ -	\$ -	\$ -	N/A	\$ -
C	2002	6/30/02	\$ -	\$ -	\$ -	N/A	\$ -
C	2003	6/30/03	\$ 14	\$ -	\$ 14	0%	\$ 14
D	2001	6/30/01	\$ 128	\$ 128	\$ 128	100%	\$ -
D	2002	6/30/02	\$ 117	\$ 128	\$ 117	109%	\$ (11)
D	2003	6/30/03	\$ 148	\$ 117	\$ 148	79%	\$ 20

(1) Part B (Safe Harbor), Part C (Golden Handshake), Part D (Elected Department Head)

See accompanying independent auditors' report

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COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	TOTAL GENERAL FUND			Variance with
	Original Budget	Final Budget	Actual on a Budgetary Basis	Final Budget Positive (Negative)
Resources (inflows):				
Taxes	\$ 124,254	\$ 124,255	\$ 125,373	\$ 1,118
Licenses, permits and franchises	12,024	12,024	13,574	1,550
Fines, forfeitures and penalties	15,321	15,321	14,226	(1,095)
Use of money and property	5,089	5,099	3,474	(1,625)
Aid from other governmental units	362,478	371,160	348,821	(22,339)
Charges for services	98,919	101,657	99,118	(2,539)
Other	24,867	25,804	26,770	966
Amount available for appropriation	642,952	655,320	631,356	(23,964)
Charges to appropriations (outflows):				
General government:				
Salaries and benefits	33,666	28,533	26,249	2,284
Services and supplies	45,095	43,174	21,568	21,606
Other charges	12,868	19,801	14,870	4,931
Contingencies	2,000	248	-	248
Total general government	93,629	91,756	62,687	29,069
Public protection:				
Salaries and benefits	190,193	198,094	194,115	3,979
Services and supplies	66,935	69,412	64,214	5,198
Other charges	17,785	18,786	18,719	67
Total public protection	274,913	286,292	277,048	9,244
Health and sanitation services:				
Salaries and benefits	57,942	60,264	57,658	2,606
Services and supplies	39,273	42,458	38,985	3,473
Other charges	2,182	2,199	2,174	25
Total health and sanitation services	99,397	104,921	98,817	6,104
Public assistance:				
Salaries and benefits	54,388	52,509	51,818	691
Services and supplies	35,844	42,247	38,302	3,945
Other charges	59,870	59,301	59,215	86
Total public assistance	150,102	154,057	149,335	4,722
Education:				
Salaries and benefits	396	406	398	8
Services and supplies	208	208	202	6
Total education	604	614	600	14
Capital outlay - Equipment	10,962	17,541	11,725	5,816
Debt service:				
Interest and fiscal charges	11,965	4,700	3,162	1,538
Total charges to appropriation	641,572	659,881	603,374	56,507
Excess (deficiency) of revenues over expenditures	1,380	(4,561)	27,982	32,543
Other financing sources (uses):				
Proceeds from debt	1,300	12,188	675	(11,513)
Transfers in	13,157	19,188	15,190	(3,998)
Transfers out	(24,726)	(38,510)	(38,359)	151
Total other financing uses	(10,269)	(7,134)	(22,494)	(15,360)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(8,889)	(11,695)	5,488	17,183
Budgetary balances - beginning	109,080	109,080	109,080	-
Budgetary balances - ending	\$ 100,191	\$ 97,385	\$ 114,568	\$ 17,183

See accompanying independent auditors' report

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
ROADS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	ROADS			
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Taxes	\$ 1,670	\$ 1,670	\$ 7,383	\$ 5,713
Licenses, permits and franchises	180	180	207	27
Fines, forfeitures and penalties	225	225	264	39
Revenue from use of money and property	765	765	673	(92)
Aid from other governmental units	28,027	28,027	24,285	(3,742)
Other	828	828	320	(508)
Amount available for appropriation	<u>31,695</u>	<u>31,695</u>	<u>33,132</u>	<u>1,437</u>
Charges to appropriations (outflows):				
Public ways and facilities				
Services and supplies	44,395	33,480	20,616	12,864
Other charges	1,900	3,900	1,710	2,190
Contingencies	4,593	1,989	-	1,989
Total public ways and facilities	<u>50,888</u>	<u>39,369</u>	<u>22,326</u>	<u>17,043</u>
Capital outlay - Equipment	<u>221</u>	<u>9,136</u>	<u>9,136</u>	<u>-</u>
Total charges to appropriation	<u>51,109</u>	<u>48,505</u>	<u>31,462</u>	<u>17,043</u>
Excess (deficiency) of revenues over expenditures	<u>(19,414)</u>	<u>(16,810)</u>	<u>1,670</u>	<u>18,480</u>
Other financing sources (uses):				
Transfer out	<u>(745)</u>	<u>(745)</u>	<u>(662)</u>	<u>83</u>
Total financing sources (uses)	<u>(745)</u>	<u>(745)</u>	<u>(662)</u>	<u>83</u>
Excess (deficiency) of revenues and other sources over expenditures and other	<u>(20,159)</u>	<u>(17,555)</u>	<u>1,008</u>	<u>18,563</u>
Budgetary balances - beginning	<u>47,054</u>	<u>47,054</u>	<u>47,054</u>	<u>-</u>
Budgetary balances - ending	<u>\$ 26,895</u>	<u>\$ 29,499</u>	<u>\$ 48,062</u>	<u>\$ 18,563</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
WATERSHED PROTECTION DISTRICTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	WATERSHED PROTECTION DISTRICTS			
	Original Budget	Final Budget	Actual on a Budgetary Basis	Variance with Final Budget Positive (Negative)
Resources (inflows):				
Taxes	\$ 10,048	\$ 10,048	\$ 10,924	\$ 876
Licenses, permits and franchises	66	66	166	100
Fines, forfeitures and penalties	70	70	69	(1)
Revenue from use of money and property	1,789	1,789	2,016	227
Aid from other governmental units	381	631	2,780	2,149
Charges for services	9,933	9,933	10,265	332
Other	1,473	1,473	1,923	450
Amount available for appropriation	<u>23,760</u>	<u>24,010</u>	<u>28,143</u>	<u>4,133</u>
Charges to appropriations (outflows):				
Public protection				
Services and supplies	59,128	55,822	16,758	39,064
Other charges	1,321	1,321	127	1,194
Contingencies	<u>6,165</u>	<u>6,514</u>	<u>-</u>	<u>6,514</u>
Total public protection	<u>66,614</u>	<u>63,657</u>	<u>16,885</u>	<u>46,772</u>
Capital outlay - Equipment	<u>137</u>	<u>3,718</u>	<u>3,589</u>	<u>129</u>
Total charges to appropriation	<u>66,751</u>	<u>67,375</u>	<u>20,474</u>	<u>46,901</u>
Excess (deficiency) of revenues over expenditures	<u>(42,991)</u>	<u>(43,365)</u>	<u>7,669</u>	<u>51,034</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	-	-	1,211	1,211
Transfer in	66	66	-	(66)
Transfer out	<u>(483)</u>	<u>(483)</u>	<u>(234)</u>	<u>249</u>
Total financing sources (uses)	<u>(417)</u>	<u>(417)</u>	<u>977</u>	<u>1,394</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(43,408)</u>	<u>(43,782)</u>	<u>8,646</u>	<u>52,428</u>
Budgetary balances - beginning	<u>75,061</u>	<u>75,061</u>	<u>75,061</u>	<u>-</u>
Budgetary balances - ending	<u>\$ 31,653</u>	<u>\$ 31,279</u>	<u>\$ 83,707</u>	<u>\$ 52,428</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
BUDGETARY COMPARISON SCHEDULE
FIRE PROTECTION DISTRICT FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	FIRE PROTECTION DISTRICT			Variance with
	Original	Final	Actual on a	Final Budget
	Budget	Budget	Budgetary	Positive
			Basis	(Negative)
Resources (inflows):				
Taxes	\$ 64,821	\$ 64,821	\$ 66,001	\$ 1,180
Licenses, permits and franchises	600	600	689	89
Fines, forfeitures and penalties	66	66	43	(23)
Revenue from use of money and property	600	600	454	(146)
Aid from other governmental units	6,595	6,872	8,137	1,265
Charges for services	703	1,230	535	(695)
Other	3,012	4,845	4,245	(600)
Amount available for appropriation	<u>76,397</u>	<u>79,034</u>	<u>80,104</u>	<u>1,070</u>
Charges to appropriations (outflows):				
Public protection				
Salaries and benefits	57,868	58,162	57,742	420
Services and supplies	10,708	11,294	11,204	90
Contingencies	750	753	-	753
Total public protection	<u>69,326</u>	<u>70,209</u>	<u>68,946</u>	<u>1,263</u>
Capital outlay - Equipment	19,729	21,483	6,430	15,053
Debt service:				
Principal retirement	459	-	-	-
Interest and fiscal charges	256	196	23	173
Total charges to appropriation	<u>89,770</u>	<u>91,888</u>	<u>75,399</u>	<u>16,489</u>
Excess (deficiency) of revenues over expenditures	<u>(13,373)</u>	<u>(12,854)</u>	<u>4,705</u>	<u>17,559</u>
Other financing sources (uses):				
Transfer out	(250)	(770)	(770)	-
Total financing sources (uses)	<u>(250)</u>	<u>(770)</u>	<u>(770)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(13,623)	(13,624)	3,935	17,559
Budgetary balances - beginning	<u>22,618</u>	<u>22,618</u>	<u>22,618</u>	<u>-</u>
Budgetary balances - ending	<u>\$ 8,995</u>	<u>\$ 8,994</u>	<u>\$ 26,553</u>	<u>\$ 17,559</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

Budgetary Adoption

The County is legally required to adopt a balanced annual budget for the General Fund, special revenue funds, the permanent fund, and the debt service and capital projects funds of the Watershed Protection District, Pension Obligation Bonds, Redevelopment Agency Piru Project, Juvenile Justice Complex, and the Juvenile Justice Complex Courthouse. The County adheres to provisions of the California Government Code Sections 29000 through 29144, known as The County Budget Act. Annually, the Board conducts a public hearing for discussion of the proposed budget. At the conclusion of the hearing, and no later than August 30, the Board adopts the final budget including revisions by resolution. A Final Budget book is published.

Budgetary Comparisons

GASB 34 requires a budgetary comparison for the major governmental funds from the funds financial statements. The County has elected to present this information as Required Supplementary Information. Analysis of the General Fund budget is included in Management's Discussion and Analysis.

The comparisons required are between original budget and final budget and between final budget and actual on a budgetary basis. The "original budget" includes the original approved budget (published as the Final Budget) plus appropriations for prior year approved roll-over encumbrances. The "final budget" is the budget as Board approved at the end of the fiscal year. The "actual on a budgetary basis" includes the actual revenues and expenditures as presented in the budget and as adjusted for the Comprehensive Annual Financial Report.

The primary changes are as follows:

For budgetary purposes, inventory items are recognized as expenditures when purchased. Under accounting principles generally accepted in the United States of America (GAAP), inventories at year-end are recorded as an asset.

For budgetary purposes, changes in the fair value of investments are not recognized as increases or decreases to revenue. Under GAAP such changes are recognized as increases or decreases to revenue.

For budgetary purposes, the County agency fund amounts planned by departments for use during the fiscal year were recognized as revenue. Under GAAP and GASB 33 and 34, all County agency funds must be included within the related County fund as revenue, deferred revenue or liability.

The following schedule is a reconciliation for major funds of the differences between fund balances on the actual on a budgetary basis and GAAP basis fund balances (in thousands):

	General Fund	SPECIAL REVENUE FUNDS		
		Roads	Watershed Protection District	Fire Protection District
Fund Balances - Actual on a budgetary basis	\$ 114,568	\$ 48,062	\$ 83,707	\$ 26,553
Adjustments:				
Change in reserve for inventories	(15)	-	-	(21)
Change in fair value of investments	(1,401)	(185)	(210)	(60)
Addition of trust funds	6,398	(3,242)	431	2
Total adjustments	4,982	(3,427)	221	(79)
Fund balances - GAAP basis	\$ 119,550	\$ 44,635	\$ 83,928	\$ 26,474

COUNTY OF VENTURA
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(Continued)

Supplemental Appropriations

The Board may approve supplemental appropriations during the year if revenues are received from unanticipated sources or from anticipated sources, but in excess of estimates thereof. Transfers of appropriations between budget units/departments must also be approved by the Board.

Supplemental appropriations for those funds for which the County is legally required to adopt an annual budget approximated \$64,826,000 for fiscal year ended June 30, 2003.

Level of Budgetary Control

County expenditures are controlled at the object level (salaries and benefits, services and supplies, other charges, and other financing uses) and sub-object level (capital assets) within budget units/departments for the County. The object level is the level at which expenditures may not legally exceed appropriations. Any transfer of appropriations between object levels within the same budget unit is delegated by the Board to the County Executive Officer.

The County is legally required to adopt an annual budget including over 90 budget units/departments in over 30 funds. Because of this large volume of detail, a separate Departmental Budget Report of Revenues and Expenditures – Budget and Actual on a Budgetary Basis has been prepared at the budget unit/department, function, and object level for those funds for which the County is legally required to adopt an annual budget. After approved year-end and post-closing adjustments, there are no departments exceeding appropriations at the object level. The budgetary document is available to the general public in the Auditor-Controller's Office.

Encumbrances

The County requires use of an encumbrance system as an extension of normal budgetary accounting to assist all funds in controlling expenditures. Under this system, purchase orders, contracts, and other commitments for the expenditures of funds are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as reservations of fund balance in the governmental funds. Unencumbered appropriations lapse at year-end. Encumbered appropriations are carried forward in the ensuing year's budget.

**SUPPLEMENTARY
INFORMATION
(UNAUDITED)**



NONMAJOR GOVERNMENTAL FUNDS



COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2003
(In Thousands)

	Total Non-Major Governmental Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	George D. Lyon Permanent Fund
ASSETS					
Cash and investments (Note 4)	\$ 48,252	\$ 12,443	\$ 15,961	\$ 18,721	\$ 1,127
Receivables, net (Note 6)	3,969	3,849	40	76	4
Due from other funds (Note 7)	2,077	1,565	2	509	1
Inventories and other assets	30	30	-	-	-
Loans receivable	1,084	1,084	-	-	-
Advances to other funds	100	-	100	-	-
Total assets	<u>\$ 55,512</u>	<u>\$ 18,971</u>	<u>\$ 16,103</u>	<u>\$ 19,306</u>	<u>\$ 1,132</u>
LIABILITIES					
Accounts payable	\$ 3,574	\$ 1,025	\$ -	\$ 2,549	\$ -
Accrued liabilities (Note 9)	1,717	1,713	4	-	-
Due to other funds (Note 7)	6,070	3,773	8	2,289	-
Deferred revenue	198	198	-	-	-
Total liabilities	<u>11,559</u>	<u>6,709</u>	<u>12</u>	<u>4,838</u>	<u>-</u>
FUND BALANCES					
Reserved (Note 12)	18,580	1,367	16,091	-	1,122
Designated	4,157	4,157	-	-	-
Unreserved, reported in					
Special revenue funds	6,738	6,738	-	-	-
Capital projects funds	14,468	-	-	14,468	-
Permanent funds	10	-	-	-	10
Total fund balances	<u>43,953</u>	<u>12,262</u>	<u>16,091</u>	<u>14,468</u>	<u>1,132</u>
Total liabilities and fund balances	<u>\$ 55,512</u>	<u>\$ 18,971</u>	<u>\$ 16,103</u>	<u>\$ 19,306</u>	<u>\$ 1,132</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	Total Non-Major Governmental Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	George D. Lyon Permanent Fund
Revenues:					
Taxes	\$ 6,998	\$ 6,457	\$ 541	\$ -	\$ -
Licenses, permits, and franchises	365	365	-	-	-
Fines, forfeitures, and penalties	7	7	-	-	-
Revenues from use of money and property	975	462	267	228	18
Aid from other governmental units	39,860	39,457	72	331	-
Charges for current services	2,590	2,590	-	-	-
Other	23,787	3,210	19,455	-	1,122
Total revenues	<u>74,582</u>	<u>52,548</u>	<u>20,335</u>	<u>559</u>	<u>1,140</u>
Expenditures:					
Current:					
General government	62	-	62	-	-
Public protection	28,028	28,028	-	-	-
Public ways and facilities	134	134	-	-	-
Public assistance	15,976	15,976	-	-	-
Education	7,630	7,630	-	-	-
Capital outlay	11,710	768	-	10,942	-
Debt service:					
Principal retirement	21,915	24	21,891	-	-
Interest and fiscal charges	8,832	17	8,815	-	-
Total expenditures	<u>94,287</u>	<u>52,577</u>	<u>30,768</u>	<u>10,942</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,705)</u>	<u>(29)</u>	<u>(10,433)</u>	<u>(10,383)</u>	<u>1,140</u>
Other financing sources (uses):					
Proceeds from long-term debt	25,372	-	677	24,695	-
Transfers in	14,690	1,121	8,510	5,059	-
Transfers out	(12,859)	(620)	(2,067)	(10,164)	(8)
Total other financing sources (uses)	<u>27,203</u>	<u>501</u>	<u>7,120</u>	<u>19,590</u>	<u>(8)</u>
Net change in fund balances	<u>7,498</u>	<u>472</u>	<u>(3,313)</u>	<u>9,207</u>	<u>1,132</u>
Fund balances - beginning	36,445	11,780	19,404	5,261	-
Changes in reserve for inventory	10	10	-	-	-
Fund balances - ending	<u>\$ 43,953</u>	<u>\$ 12,262</u>	<u>\$ 16,091</u>	<u>\$ 14,468</u>	<u>\$ 1,132</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
NON-MAJOR GOVERNMENTAL FUNDS
NON-MAJOR SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues that are restricted by law or administrative action to expenditures for specified purposes. Non-major special revenue funds used by the County are listed below:

COUNTY LIBRARY FUND

This fund accounts for the provision of library services in fifteen branches throughout the County, except in the City of Oxnard, City of Thousand Oaks, and Santa Paula School District, which provide their own library facilities. Support is derived principally from property taxes and includes donations from citizens groups and cities.

H.U.D. GRANTS FUND

This fund is primarily used to account for federal grants from the Department of Housing and Urban Development for development of low and moderate income housing, rehabilitation and improvements of public facilities, and meeting conditions which pose a serious and immediate threat to health and welfare in the County.

LOAN FUND

This fund is primarily used to account for federal and state funds from the Department of Commerce Economic Development Administration to provide assistance to entities that were impacted by the Northridge earthquake disaster and downsizing of the defense industry.

FISH AND GAME FUND

This fund was established to receive the County's share of fines levied for violations of fish and game laws within its boundaries. Expenditures are made from time to time for purposes of improving the habitat for wildlife propagation and for incidental administrative matters.

DOMESTIC VIOLENCE PROGRAM FUND

This program was established to provide services to victims of domestic violence and their children in accordance with state statute and to explore and determine ways of reducing incidences of domestic violence. The program is funded by a special surcharge levied on the issuance of all marriage licenses.

ENVIRONMENTAL AND ENERGY RESOURCES DEPARTMENT

Management for this fund (formerly the Solid Waste Fund) is responsible for the development and administration of local and countywide plans and the enforcement of County ordinances relative to solid waste matters. Funding is derived from aid from other government units, licenses, permits and franchises, and charges for services.

(Continued)

COUNTY OF VENTURA
NON-MAJOR GOVERNMENTAL FUNDS

NON-MAJOR SPECIAL REVENUE FUNDS (Continued)

COUNTY SERVICE AREAS

County Service Areas account for lighting, street and road maintenance, ambulance service, recreation, and wastewater treatment facilities in specific geographic areas. Support is derived principally from property taxes and service charges in each service area.

WORKFORCE DEVELOPMENT FUND

This fund accounts for the provision of services to the public and private sectors, including the planning, operation, administration, and management of job training programs pursuant to the Job Training Partnership Act, the Job Training Reform Amendments of 1992, regulations of the U.S. Department of Labor, Family Economic Security Act, and the directions of the Governor of the State of California.

SPAY/NEUTER PROGRAM

This fund is used to account for the spay/neuter subvention program. The program provides Ventura County animal owners with financial assistance, using a voucher system, for altering cats and dogs. The program is funded by forfeited spay/neuter deposit monies and animal license fees.

INMATE WELFARE FUND

This fund was established pursuant to Section 4025 of the California Penal Code for the benefit, education, and welfare of inmates confined to County jail. It is funded by proceeds from the jail canteen, jail commissary, vocational programs, and telephone commissions.

REDEVELOPMENT AGENCY PIRU PROJECT

This fund was established to provide administrative, fiscal and other support services to the capital project, debt service and low and moderate housing funds of the Redevelopment Agency – Piru Project. Funding is provided by grants, unrestricted interest earnings and tax increment revenue for the low–moderate income housing set-aside.

IN-HOME SUPPORTIVE SERVICES PUBLIC AUTHORITY

The Ventura County In-Home Supportive Services Public Authority (Public Authority) was established on July 23, 2002 to provide an employer of record for in-home supportive service providers, as required by Welfare and Institutions Code Section 12302.25. Federal, State, County, and realignment funds support the activities of the Public Authority.

DEPARTMENT OF CHILD SUPPORT SERVICES

This fund was established in July 2002, pursuant to Family Code Section 17304 which required the transfer of local child support programs from the District Attorney's Office to a newly created County department under the oversight of the State. Services, which include location, establishment and enforcement of orders for child and medical support, and paternity determination, are funded by federal and state reimbursements.

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COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2003
(In Thousands)

	Total	County Library Fund	H. U. D. Grants Fund	Loan Fund
ASSETS				
Cash and investments (Note 4)	\$ 12,443	\$ 4,411	\$ 1	\$ 673
Receivables, net (Note 6)	3,849	127	1	2
Due from other funds (Note 7)	1,565	598	166	1
Inventories and other assets	30	-	-	-
Loans receivable	1,084	-	130	954
Total assets	<u>\$ 18,971</u>	<u>\$ 5,136</u>	<u>\$ 298</u>	<u>\$ 1,630</u>
LIABILITIES				
Accounts payable	\$ 1,025	\$ 102	\$ -	\$ 8
Accrued liabilities (Note 9)	1,713	612	-	-
Due to other funds (Note 7)	3,773	64	-	-
Deferred revenue	198	10	2	-
Total liabilities	<u>6,709</u>	<u>788</u>	<u>2</u>	<u>8</u>
FUND BALANCES				
Reserved (Note 12)	1,367	45	130	954
Designated	4,157	305	-	-
Unreserved, reported in				
Special revenue funds	<u>6,738</u>	<u>3,998</u>	<u>166</u>	<u>668</u>
Total fund balances	<u>12,262</u>	<u>4,348</u>	<u>296</u>	<u>1,622</u>
Total liabilities and fund balances	<u>\$ 18,971</u>	<u>\$ 5,136</u>	<u>\$ 298</u>	<u>\$ 1,630</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2003
(In Thousands)

Fish and Game Fund	Domestic Violence Program Fund	Environmental and Energy Resources	County Service Areas	Workforce Development Fund	
\$ 154	\$ 67	\$ 1,152	\$ 2,025	\$ 213	ASSETS
1	-	640	11	97	Cash and investments (Note 4)
2	4	2	11	404	Receivables, net (Note 6)
-	-	-	-	-	Due from other funds (Note 7)
-	-	-	-	-	Inventories and other assets
\$ 157	\$ 71	\$ 1,794	\$ 2,047	\$ 714	Loans receivable
					Total assets
					LIABILITIES
\$ -	\$ 21	\$ 104	\$ 146	\$ 416	Accounts payable
-	-	39	165	125	Accrued liabilities (Note 9)
25	-	9	42	173	Due to other funds (Note 7)
-	-	-	43	-	Deferred revenue
25	21	152	396	714	Total liabilities
					FUND BALANCES
-	-	166	24	-	Reserved (Note 12)
26	17	906	1,021	-	Designated
106	33	570	606	-	Unreserved, reported in
132	50	1,642	1,651	-	Special revenue funds
\$ 157	\$ 71	\$ 1,794	\$ 2,047	\$ 714	Total fund balances
					Total liabilities and fund balances

(Continued)

COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2003
(In Thousands)
(Continued)

	Spay/Neuter Program	Inmate Welfare Fund	Redevelopment Agency Piru Project	Public Authority	Child Support Services
ASSETS					
Cash and investments (Note 4)	\$ 88	\$ 1,990	\$ 332	\$ 288	\$ 1,049
Receivables, net (Note 6)	-	6	2	373	2,589
Due from other funds (Note 7)	-	110	68	184	15
Inventories and other assets	-	30	-	-	-
Loans receivable	-	-	-	-	-
Total assets	<u>\$ 88</u>	<u>\$ 2,136</u>	<u>\$ 402</u>	<u>\$ 845</u>	<u>\$ 3,653</u>
LIABILITIES					
Accounts payable	\$ -	\$ 68	\$ 5	\$ 133	\$ 22
Accrued liabilities (Note 9)	-	16	-	6	750
Due to other funds (Note 7)	-	30	6	705	2,719
Deferred revenue	-	-	-	-	143
Total liabilities	<u>-</u>	<u>114</u>	<u>11</u>	<u>844</u>	<u>3,634</u>
FUND BALANCES					
Reserved (Note 12)	-	46	1	1	-
Designated	63	1,590	229	-	-
Unreserved, reported in					
Special revenue funds	<u>25</u>	<u>386</u>	<u>161</u>	<u>-</u>	<u>19</u>
Total fund balances	<u>88</u>	<u>2,022</u>	<u>391</u>	<u>1</u>	<u>19</u>
Total liabilities and fund balances	<u>\$ 88</u>	<u>\$ 2,136</u>	<u>\$ 402</u>	<u>\$ 845</u>	<u>\$ 3,653</u>

See accompanying independent auditors' report

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COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	Total	County Library Fund	H. U. D. Grants Fund	Loan Fund
Revenues:				
Taxes	\$ 6,457	\$ 5,791	\$ -	\$ -
Licenses, permits, and franchises	365	-	-	-
Fines, forfeitures, and penalties	7	3	-	-
Revenues from use of money and property	462	108	-	89
Aid from other governmental units	39,457	1,618	4,677	-
Charges for current services	2,590	272	-	-
Other	3,210	1,207	-	-
Total revenues	<u>52,548</u>	<u>8,999</u>	<u>4,677</u>	<u>89</u>
Expenditures:				
Current:				
Public protection	28,028	-	-	-
Public ways and facilities	134	-	-	-
Public assistance	15,976	-	4,381	110
Education	7,630	7,630	-	-
Capital outlay	768	624	-	-
Debt service:				
Principal retirement	24	-	-	-
Interest and fiscal charges	17	3	-	-
Total expenditures	<u>52,577</u>	<u>8,257</u>	<u>4,381</u>	<u>110</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29)</u>	<u>742</u>	<u>296</u>	<u>(21)</u>
Other financing sources (uses):				
Transfers in	1,121	257	-	-
Transfers out	(620)	(216)	-	-
Total other financing sources (uses)	<u>501</u>	<u>41</u>	<u>-</u>	<u>-</u>
Net change in fund balances	472	783	296	(21)
Fund balances - beginning	11,780	3,565	-	1,643
Changes in reserve for inventory	10	-	-	-
Fund balances - ending	<u>\$ 12,262</u>	<u>\$ 4,348</u>	<u>\$ 296</u>	<u>\$ 1,622</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

Fish and Game Fund	Domestic Violence Program Fund	Environmental and Energy Resources	County Service Areas	Workforce Development Fund	
\$ -	\$ -	\$ -	\$ 666	\$ -	Revenues:
-	-	361	-	-	Taxes
-	-	-	4	-	Licenses, permits, and franchises
5	2	31	49	2	Fines, forfeitures, and penalties
-	-	634	11	9,397	Revenues from use of money and property
102	-	1,505	711	-	Aid from other governmental units
-	125	22	(161)	-	Charges for current services
107	127	2,553	1,280	9,399	Other
					Total revenues
					Expenditures:
					Current:
49	-	3,035	1,322	-	Public protection
-	-	-	-	-	Public ways and facilities
-	123	-	-	9,322	Public assistance
-	-	-	-	-	Education
-	-	14	-	78	Capital outlay
-	-	-	24	-	Debt service:
-	-	-	14	-	Principal retirement
49	123	3,049	1,360	9,400	Interest and fiscal charges
					Total expenditures
58	4	(496)	(80)	(1)	Excess (deficiency) of revenues over (under) expenditures
-	-	-	-	9	Other financing sources (uses):
(50)	-	(8)	-	-	Transfers in
(50)	-	(8)	-	9	Transfers out
					Total other financing sources (uses)
8	4	(504)	(80)	8	Net change in fund balances
124	46	2,146	1,731	(8)	Fund balances - beginning
-	-	-	-	-	Changes in reserve for inventory
\$ 132	\$ 50	\$ 1,642	\$ 1,651	\$ -	Fund balances - ending

(Continued)

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)
(Continued)

	Spay/Neuter Program	Inmate Welfare Fund	Redevelopment Agency Piru Project	Public Authority	Child Support Services
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and franchises	4	-	-	-	-
Fines, forfeitures, and penalties	-	-	-	-	-
Revenues from use of money and property	2	39	42	2	91
Aid from other governmental units	-	-	-	1,354	21,766
Charges for current services	-	-	-	-	-
Other	-	2,002	-	-	15
Total revenues	<u>6</u>	<u>2,041</u>	<u>42</u>	<u>1,356</u>	<u>21,872</u>
Expenditures:					
Current:					
Public protection	16	1,805	-	-	21,801
Public ways and facilities	-	-	134	-	-
Public assistance	-	-	-	2,040	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	52
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>16</u>	<u>1,805</u>	<u>134</u>	<u>2,040</u>	<u>21,853</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10)</u>	<u>236</u>	<u>(92)</u>	<u>(684)</u>	<u>19</u>
Other financing sources (uses):					
Transfers in	-	-	170	685	-
Transfers out	-	(346)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(346)</u>	<u>170</u>	<u>685</u>	<u>-</u>
Net change in fund balances	(10)	(110)	78	1	19
Fund balances - beginning	98	2,122	313	-	-
Changes in reserve for inventory	-	10	-	-	-
Fund balances - ending	<u>\$ 88</u>	<u>\$ 2,022</u>	<u>\$ 391</u>	<u>\$ 1</u>	<u>\$ 19</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
NON-MAJOR GOVERNMENTAL FUNDS

NON-MAJOR DEBT SERVICE FUNDS

PUBLIC FACILITIES CORPORATION

This fund is used to accumulate resources for the payment of principal and interest on the Certificates of Participation issues related to the purchase of equipment and the construction of County capital project improvements. This fund receives transfers primarily from the General Fund based on lease-purchase agreements.

PUBLIC FINANCING AUTHORITY

This fund accounts for debt proceeds which were used to pay, refund and retire Public Facilities Corporation (PFC) lease revenue bonds under PFC I and Certificates of Participation under PFC III. This fund is also used to finance a portion of various other capital projects and pay costs incurred in connection with the issuance, sale and delivery of the Tax Exempt Commercial Paper Notes and the new 2001 Certificates of Participation which advance refunded PFC IV. This fund is also used to accumulate resources for the payment of principal and interest on the issues. This fund receives transfers primarily from the General Fund based on lease-purchase agreements.

SIMI LIBRARY AUTHORITY

This fund accounts for the library financing activities of the Simi Valley Civic Center Authority. This fund is used to accumulate resources for the payment of principal and interest on the lease revenue bond issues related to the construction of the Simi Valley Library. This fund receives transfers from the County Library Special Revenue Fund based on lease-purchase agreements.

REDEVELOPMENT AGENCY PIRU PROJECT

This fund is used to accumulate resources for the payment of principal related to the activities of the Redevelopment Agency Piru Project. The plan's purpose is to respond to damage caused by the 1994 Northridge earthquake to Piru's town center and public infrastructure through a project of community reinvestment. Funding is derived solely from property taxes calculated in adherence with Health and Safety Code Section 33670.

WATERSHED PROTECTION DISTRICTS

This fund is used to accumulate resources for the payment of principal and interest on the general obligation bonds issued by the former Ventura County Flood Control District. Revenues are received primarily through ad valorem taxes on property.

PENSION OBLIGATION BONDS

The bonds were issued to provide funds to allow the County to fund its unfunded actuarial liability at December 1, 1995 with respect to VCERA retirement benefits for County employees.

COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2003
(In Thousands)

	<u>Total</u>	<u>Public Facilities Corporation</u>	<u>Public Financing Authority</u>
<u>ASSETS</u>			
Cash and investments (Note 4)	\$ 15,961	\$ 72	\$ 13,444
Receivables, net (Note 6)	40	33	4
Due from other funds (Note 7)	2	-	-
Advances to other funds	100	-	-
Total assets	<u>\$ 16,103</u>	<u>\$ 105</u>	<u>\$ 13,448</u>
<u>LIABILITIES</u>			
Accrued liabilities (Note 9)	\$ 4	\$ -	\$ -
Due to other funds (Note 7)	8	-	-
Total liabilities	<u>12</u>	<u>-</u>	<u>-</u>
<u>FUND BALANCES</u>			
Reserved (Note 12)	16,091	105	13,448
Total fund balances	<u>16,091</u>	<u>105</u>	<u>13,448</u>
Total liabilities and fund balances	<u>\$ 16,103</u>	<u>\$ 105</u>	<u>\$ 13,448</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
JUNE 30, 2003
(In Thousands)

Redevelopment Agency Piru Project	Watershed Protection Districts	Pension Obligation Bonds	
\$ 226	\$ 190	\$ 2,029	ASSETS
1	-	2	Cash and investments (Note 4)
1	-	1	Receivables, net (Note 6)
100	-	-	Due from other funds (Note 7)
<u>\$ 328</u>	<u>\$ 190</u>	<u>\$ 2,032</u>	Advances to other funds
			Total assets
			LIABILITIES
\$ -	\$ 4	\$ -	Accrued liabilities (Note 9)
8	-	-	Due to other funds (Note 7)
<u>8</u>	<u>4</u>	<u>-</u>	Total liabilities
			FUND BALANCES
<u>320</u>	<u>186</u>	<u>2,032</u>	Reserved (Note 12)
<u>320</u>	<u>186</u>	<u>2,032</u>	Total fund balances
<u>\$ 328</u>	<u>\$ 190</u>	<u>\$ 2,032</u>	Total liabilities and fund balances

COUNTY OF VENTURA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NON-MAJOR DEBT SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003
 (In Thousands)

	Total	Public Facilities Corporation	Public Financing Authority
Revenues:			
Taxes	\$ 541	\$ -	\$ -
Revenues from use of money and property	267	93	111
Aid from other governmental units	72	-	58
Other	19,455	-	-
Total revenues	<u>20,335</u>	<u>93</u>	<u>169</u>
Expenditures:			
Current:			
General government	62	-	-
Debt service:			
Principal retirement	21,891	180	7,351
Interest and fiscal charges	8,815	110	2,396
Total expenditures	<u>30,768</u>	<u>290</u>	<u>9,747</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,433)</u>	<u>(197)</u>	<u>(9,578)</u>
Other financing sources (uses):			
Proceeds from long-term debt	677	-	-
Transfers in	8,510	290	8,006
Transfers out	(2,067)	(105)	(811)
Total other financing sources (uses)	<u>7,120</u>	<u>185</u>	<u>7,195</u>
Net change in fund balances	(3,313)	(12)	(2,383)
Fund balances - beginning	<u>19,404</u>	<u>117</u>	<u>15,831</u>
Fund balances - ending	<u>\$ 16,091</u>	<u>\$ 105</u>	<u>\$ 13,448</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR DEBT SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

Simi Valley Authority	Redevelopment Agency Piru Project	Watershed Protection Districts	Pension Obligation Bonds	
\$ -	\$ 282	\$ 259	\$ -	Revenues:
1	6	6	50	Taxes
-	14	-	-	Revenues from use of money and property
-	-	-	19,455	Aid from other governmental units
1	302	265	19,505	Other
				Total revenues
				Expenditures:
-	62	-	-	Current:
				General government
200	-	280	13,880	Debt service:
3	9	23	6,274	Principal retirement
203	71	303	20,154	Interest and fiscal charges
				Total expenditures
(202)	231	(38)	(649)	Excess (deficiency) of revenues over (under) expenditures
-	677	-	-	Other financing sources (uses):
214	-	-	-	Proceeds from long-term debt
(239)	(912)	-	-	Transfers in
(25)	(235)	-	-	Transfers out
				Total other financing sources (uses)
(227)	(4)	(38)	(649)	Net change in fund balances
227	324	224	2,681	Fund balances - beginning
\$ -	\$ 320	\$ 186	\$ 2,032	Fund balances - ending

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COUNTY OF VENTURA
NON-MAJOR GOVERNMENTAL FUNDS

NON-MAJOR CAPITAL PROJECTS FUNDS

PUBLIC FACILITIES CORPORATION

This fund is used to account for the costs of constructing and acquiring various buildings, facilities, and equipment for the County of Ventura. The cost of these projects is financed by the issuance of Certificates of Participation in 1993 and 1998 through the Public Facilities Corporation. The 1993 Certificates of Participation were advance refunded by the issuance of additional Certificates of Participation under authority of the Public Financing Authority in 2001.

PUBLIC FINANCING AUTHORITY

This fund is used to account for the costs of construction and acquiring various buildings, facilities, and equipment for the County of Ventura and the refunding of Public Facilities Corporation Lease Revenue Bonds issued in 1976 and Certificates of Participation issued in 1987. The cost of various projects is financed by the periodic issuance of Tax Exempt Commercial Paper Notes, which were first issued in 1998 through the Public Financing Authority.

Additional Certificates of Participation were issued in 2001 to advance refund Public Facilities Certificates of Participation issued in 1993, refund equipment lease and acquire equipment and buildings for Ventura County Medical Center, Juvenile Justice Facility and General Services Agency.

REDEVELOPMENT AGENCY PIRU PROJECT

This fund is used to account for the financial resources used and costs incurred for the requisition or construction of major capital facilities as outlined in the Agency's Piru Community Enhancement Plan. The costs of these projects are financed by borrowing, federal grants and unrestricted funds of the Agency.

JUVENILE JUSTICE COMPLEX COURTHOUSE

This fund is used to account for the construction costs of a 56,200 square foot courthouse on the grounds of the Juvenile Justice Complex. Financing for the project, with an estimated cost of \$15.8 million, was provided through the issuance of certificates of participation by the Public Financing Authority in October 2003. Repayment of the debt will be provided by the Ventura County Superior Courts for the courthouse and the ratable share of land and infrastructure using the Courthouse Construction Fund as allowed by law.

COUNTY OF VENTURA
COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2003
(In Thousands)

	Total	Public Facilities Corporation	Public Financing Authority	Redevelopment Agency Piru Project	Juvenile Justice Complex Courthouse
ASSETS					
Cash and investments (Note 4)	\$ 18,721	\$ 1,115	\$ 17,423	\$ 183	\$ -
Receivables, net (Note 6)	76	-	12	64	-
Due from other funds (Note 7)	509	-	495	-	14
Total assets	<u>\$ 19,306</u>	<u>\$ 1,115</u>	<u>\$ 17,930</u>	<u>\$ 247</u>	<u>\$ 14</u>
LIABILITIES					
Accounts payable	\$ 2,549	\$ 1	\$ 2,308	\$ 240	\$ -
Due to other funds (Note 7)	2,289	-	2,216	59	14
Total liabilities	<u>4,838</u>	<u>1</u>	<u>4,524</u>	<u>299</u>	<u>14</u>
FUND BALANCES					
Unreserved, undesignated	<u>14,468</u>	<u>1,114</u>	<u>13,406</u>	<u>(52)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 19,306</u>	<u>\$ 1,115</u>	<u>\$ 17,930</u>	<u>\$ 247</u>	<u>\$ 14</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	Total	Public Facilities Corporation	Public Financing Authority	Redevelopment Agency Piru Project	Juvenile Justice Complex Courthouse
Revenues:					
Revenues from use of money and property	\$ 228	\$ 4	\$ 221	\$ 3	\$ -
Aid from other governmental units	331	-	-	331	-
Total revenues	559	4	221	334	-
Expenditures:					
Capital outlay	10,942	-	6,733	808	3,401
Total expenditures	10,942	-	6,733	808	3,401
Excess (deficiency) of revenues over (under) expenditures	(10,383)	4	(6,512)	(474)	(3,401)
Other financing sources (uses):					
Proceeds from long-term debt	24,695	-	24,695	-	-
Transfers in	5,059	105	811	742	3,401
Transfers out	(10,164)	-	(10,164)	-	-
Total other financing sources	19,590	105	15,342	742	3,401
Net change in fund balances	9,207	109	8,830	268	-
Fund balances - beginning	5,261	1,005	4,576	(320)	-
Fund balances - ending	\$ 14,468	\$ 1,114	\$ 13,406	\$ (52)	\$ -

See accompanying independent auditors' report

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NONMAJOR ENTERPRISE FUNDS



COUNTY OF VENTURA

NON-MAJOR ENTERPRISE FUNDS

PARKS DEPARTMENT

This fund accounts for the operation of the County's parks and golf courses, including administrative, fiscal, and other support services to these operations. Revenues are derived primarily from rentals of facilities to operators and concessionaires and from fees charged to public users of the facilities. The fund also accounts for federal and state aid and County contributions in support of parks and recreational activities.

CHANNEL ISLANDS HARBOR EXPANSION FUND

This fund accounts for the expansion area of the Channel Islands Marina financed by loans from the State of California and coordinates growth of this facility. The commercial fishing enterprise activities funded by a federal loan is accounted for in this fund. The fund's revenues are derived from tenants in the expansion area. It is operated by the Harbor Enterprise Fund in conjunction with that fund's management of the remainder of the Marina facility.

CHANNEL ISLANDS HARBOR

This fund accounts for the operation of the Channel Islands Marina, including administrative, fiscal, and other support to this operation, as well as to the Channel Islands Harbor Expansion Fund. Revenues are derived primarily from rentals of facilities to operators and concessionaires and from fees charged to the public users of the facility.

HEALTH CARE PLAN

The Ventura County Health Care Plan is a self-insured group medical plan operated by the County Health Care Agency. Revenues are derived primarily from charges to participating employer groups for medical insurance.

OAK VIEW SCHOOL PRESERVATION AND MAINTENANCE FUND

This assessment district was established in August 2, 2002 for the costs of acquiring and rehabilitating the former Oak View School for use as a community park and family resource center. Acquisition and development costs of \$1.4 million are financed principally by tax exempt commercial paper and grant funds. Benefit assessments will fund annual debt service and maintenance and operation costs. The project is administered by the General Services Agency.

COUNTY OF VENTURA
COMBINING STATEMENT OF FUND NET ASSETS
NON-MAJOR ENTERPRISE FUNDS
JUNE 30, 2003
(In Thousands)

	Total	Parks Department	Channel Islands Harbor Expansion	Channel Islands Harbor	Health Care Plan	Oak View School
ASSETS						
Current assets:						
Cash and investments (Note 4)	\$ 10,693	\$ 2,682	\$ 5,181	\$ 487	\$ 2,007	\$ 336
Receivables, net (Note 6)	1,668	227	189	534	714	4
Due from other funds (Note 7)	339	25	16	31	35	232
Inventories and other assets	34	-	-	34	-	-
Restricted assets	1,676	-	120	56	1,500	-
Total current assets	14,410	2,934	5,506	1,142	4,256	572
Noncurrent assets:						
Capital assets (Note 8):						
Nondepreciable:						
Land	9,532	6,157	-	2,154	-	1,221
Construction in progress	1,143	439	190	301	-	213
Depreciable:						
Land improvements	4,468	3,403	-	1,065	-	-
Structures and improvements	15,114	5,697	8,143	1,274	-	-
Equipment/Vehicles	1,689	358	60	1,271	-	-
Less accumulated depreciation	(12,204)	(5,541)	(5,174)	(1,489)	-	-
Total noncurrent assets	19,742	10,513	3,219	4,576	-	1,434
Total assets	\$ 34,152	\$ 13,447	\$ 8,725	\$ 5,718	\$ 4,256	\$ 2,006
LIABILITIES						
Current liabilities:						
Accounts payable	\$ 874	\$ 34	\$ 109	\$ 532	\$ 193	\$ 6
Short term compensated absences	105	40	-	65	-	-
Accrued liabilities (Note 9)	236	42	-	112	82	-
Due to other funds (Note 7)	641	35	38	47	20	501
Current portion of long-term liabilities (Note 11)	435	12	339	30	-	54
Total current liabilities	2,291	163	486	786	295	561
Noncurrent liabilities:						
Deferred revenue	918	562	59	93	204	-
Accrued insurance losses (Note 15)	2,337	-	-	-	2,337	-
Long-term compensated absences (Note 11)	176	55	-	121	-	-
Noncurrent portion of long-term liabilities (Note 11)	3,544	105	2,174	390	-	875
Total noncurrent liabilities	6,975	722	2,233	604	2,541	875
Total liabilities	9,266	885	2,719	1,390	2,836	1,436
NET ASSETS						
Invested in capital assets, net of related debt	15,939	10,396	826	4,212	-	505
Restricted (Note 12)	3,086	1,405	125	56	1,500	-
Unrestricted	5,861	761	5,055	60	(80)	65
Total net assets	24,886	12,562	6,006	4,328	1,420	570
Total liabilities and net assets	\$ 34,152	\$ 13,447	\$ 8,725	\$ 5,718	\$ 4,256	\$ 2,006

See accompanying independent auditors' report

COUNTY OF VENTURA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 NON-MAJOR ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003
 (In Thousands)

	Total	Parks Department	Channel Islands Harbor Expansion	Channel Islands Harbor	Health Care Plan	Oak View School
Operating Revenues:						
Charges for services	\$ 18,268	\$ 360	\$ 123	\$ 2,380	\$ 15,274	\$ 131
Rents and royalties	5,166	1,762	1,494	1,903	-	7
Total operating revenues	23,434	2,122	1,617	4,283	15,274	138
Operating Expenses:						
Salaries and benefits	2,782	893	-	1,889	-	-
Services and supplies	6,861	1,147	727	2,987	1,933	67
Insurance premiums	734	36	-	279	419	-
Utilities	232	122	4	106	-	-
Provision for insurance losses	12,715	-	-	-	12,715	-
Depreciation and amortization	807	404	222	181	-	-
Total operating expenses	24,131	2,602	953	5,442	15,067	67
Operating income (loss)	(697)	(480)	664	(1,159)	207	71
Nonoperating revenues (expenses):						
State and federal grants	1,097	427	-	175	-	495
Capital contributions	139	139	-	-	-	-
Gain (loss) from disposal of capital assets	(1,664)	(1,664)	-	-	-	-
Interest and investment income	226	23	107	12	76	8
Interest expense	(171)	(6)	(124)	(18)	(9)	(14)
Total nonoperating revenues (expenses)	(373)	(1,081)	(17)	169	67	489
Net income (loss) before transfers	(1,070)	(1,561)	647	(990)	274	560
Transfers in	787	289	-	488	-	10
Transfers out	(24)	(24)	-	-	-	-
Change in net assets	(307)	(1,296)	647	(502)	274	570
Net assets - beginning	25,193	13,858	5,359	4,830	1,146	-
Net assets - ending	\$ 24,886	\$ 12,562	\$ 6,006	\$ 4,328	\$ 1,420	\$ 570

See accompanying independent auditors' report

COUNTY OF VENTURA
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	Total	Parks Department	Channel Islands Harbor Expansion	Channel Islands Harbor	Health Care Plan	Oak View School
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash receipts from customers	\$ 10,777	\$ 2,255	\$ 1,511	\$ 3,546	\$ 3,330	\$ 135
Cash receipts from other funds	13,826	-	157	795	12,874	-
Cash paid to suppliers for goods and services	(11,243)	(687)	(3)	(2,053)	(8,440)	(60)
Cash paid to employees for services	(2,726)	(890)	-	(1,836)	-	-
Cash paid to other funds	(8,427)	(701)	(721)	(1,019)	(5,986)	-
Cash paid for insurance premiums	(419)	-	-	-	(419)	-
Net cash provided by (used in) operating activities	1,788	(23)	944	(567)	1,359	75
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers received	522	289	-	233	-	-
Interest paid on non capital debt	(11)	-	-	-	(9)	(2)
State and federal grant receipts	175	-	-	175	-	-
Net cash provided by (used in) noncapital financing activities	686	289	-	408	(9)	(2)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from capital debt	269	-	-	-	-	269
Proceeds from capital grants	427	427	-	-	-	-
Proceeds from capital contributions	726	139	92	-	-	495
Acquisition and construction of fixed assets	(1,149)	(194)	(218)	(242)	-	(495)
Principal paid on capital lease obligations	(12)	(12)	-	-	-	-
Principal paid on capital debt	(353)	-	(323)	(30)	-	-
Interest paid on capital debt	(160)	(6)	(124)	(18)	-	(12)
Proceeds from sales of fixed assets	43	-	-	43	-	-
Net cash provided by (used in) capital and related financing activities	(209)	354	(573)	(247)	-	257
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and investment income received	238	24	123	15	70	6
Net cash provided by investing activities	238	24	123	15	70	6
Net increase (decrease) in cash and cash equivalents	2,503	644	494	(391)	1,420	336
Total cash and cash equivalents, beginning of the year	8,190	2,038	4,687	878	587	-
Total cash and cash equivalents, end of the year	\$ 10,693	\$ 2,682	\$ 5,181	\$ 487	\$ 2,007	\$ 336
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating income (loss)	\$ (697)	\$ (480)	\$ 664	\$ (1,159)	\$ 207	\$ 71
Adjustments to reconcile operating income (loss) to cash flows from operation activities:						
Depreciation and amortization	807	404	222	181	-	-
Decrease (increase) in:						
Accounts receivable	680	185	(15)	44	468	(2)
Due from other funds	581	143	40	9	389	-
Inventories and other assets	(12)	-	-	(12)	-	-
Increase (decrease) in:						
Accounts payable	318	(20)	6	310	22	-
Other liabilities	(2)	(2)	-	-	-	-
Accrued liabilities	110	(26)	-	54	82	-
Due to other funds	(92)	(35)	2	(48)	(17)	6
Deferred revenue	(82)	(196)	25	16	73	-
Accrued insurance loss expense	135	-	-	-	135	-
Compensated absences	42	4	-	38	-	-
Net cash provided by (used in) operating activities	\$ 1,788	\$ (23)	\$ 944	\$ (567)	\$ 1,359	\$ 75

See accompanying independent auditors' report

INTERNAL SERVICE FUNDS



COUNTY OF VENTURA

INTERNAL SERVICE FUNDS

PUBLIC WORKS SERVICES FUND

This fund coordinates the County's property management activities and provides administrative, engineering, construction, and maintenance services to various County departments as well as other governmental units.

HEAVY EQUIPMENT FUND

This fund maintains the County's fleet of machinery and construction equipment and rents such equipment to County departments and other governmental units.

TRANSPORTATION FUND

This fund provides for the acquisition, maintenance, and replacement of County automobiles and light trucks, which it rents to various County departments and non-County entities.

GENERAL INSURANCE FUND

This fund administers certain commercial and County self-insurance programs, principally worker's compensation, medical malpractice and general insurance. It also administers the hazardous materials program for County departments. The fund, operated by the General Services Agency, provides claims adjusting and administration, collects premiums from other County funds and departments, establishes reserves for insurance losses and loss expenses and acts as the County's risk manager and insurance agent. Services also include waste handling and disposal, waste audits, hazardous materials and waste record keeping and preparation of reports to meet state and federal requirements.

INFORMATION SYSTEMS FUND

This fund is responsible for the design, implementation and maintenance of the telecommunication network as well as the computer-assisted systems which support the information processing requirements of the County departments and certain non-County entities.

GENERAL SERVICES FUND

This fund's services include graphics, mailroom, stores, purchasing, security, maintenance, custodial, and landscaping provided to all County departments and certain non-County entities. The fund also administers the utilities program and the job order contract program, which contracts with outside vendors to provide maintenance projects for County departments and certain non-County entities.

(Continued)

COUNTY OF VENTURA

INTERNAL SERVICE FUNDS

(Continued)

EMPLOYEE BENEFITS INSURANCE FUND

This fund administers the County's commercial employees' group medical plan and disability income protection plan and the self-insured, wage-supplement, and unemployment insurance programs. The fund, operated by the Human Resources Department, collects premiums from County agencies, departments and employees, and makes benefit payments through outside settlement agents.

PERSONNEL SERVICES FUND

This fund administers the training services offered to County and non-County entities. Services include assessment of the requesting entity's needs as well as the development and delivery of comprehensive programs. This fund, operated by the Human Resources Department, provides these services at cost to both County departments and outside entities.

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COUNTY OF VENTURA
COMBINING STATEMENT OF FUND NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2003
(In Thousands)

	Total	Public Works Services	Heavy Equipment	Transportation
ASSETS				
Current assets:				
Cash and investments (Note 4)	\$ 62,280	\$ 2,935	\$ 1,957	\$ 2,155
Receivables, net (Note 6)	1,699	111	7	1,045
Due from other funds (Note 7)	10,221	4,143	1,043	680
Inventories and other assets	2,188	-	-	314
Restricted assets	451	-	-	-
Total current assets	76,839	7,189	3,007	4,194
Noncurrent assets:				
Capital assets (Note 8):				
Nondepreciable:				
Land	64	-	-	-
Construction in progress	316	-	-	249
Depreciable:				
Structures and improvements	4,705	552	26	318
Equipment/Vehicles	80,767	616	11,882	33,406
Less accumulated depreciation	(47,659)	(645)	(6,033)	(15,900)
Total noncurrent assets	38,193	523	5,875	18,073
Total assets	\$ 115,032	\$ 7,712	\$ 8,882	\$ 22,267
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 3,553	\$ 128	\$ 14	\$ 235
Short term compensated absences (Note 11)	2,213	1,014	39	97
Accrued liabilities (Note 9)	1,643	808	19	49
Due to other funds (Note 7)	1,178	482	46	75
Current portion of long-term liabilities (Note 11)	1,707	-	-	695
Total current liabilities	10,294	2,432	118	1,151
Noncurrent liabilities:				
Deferred revenue	901	869	-	-
Accrued insurance losses (Note 15)	39,781	-	-	-
Unamortized bond premium	129	-	-	-
Long term compensated absences (Note 11)	2,823	1,423	38	86
Noncurrent portion of long-term liabilities (Note 11)	6,612	-	-	345
Total noncurrent liabilities	50,246	2,292	38	431
Total liabilities	60,540	4,724	156	1,582
NET ASSETS				
Invested in capital assets, net of related debt	31,365	523	5,875	18,073
Restricted (Note 12)	451	-	-	-
Unrestricted	22,676	2,465	2,851	2,612
Total net assets	54,492	2,988	8,726	20,685
Total liabilities and net assets	\$ 115,032	\$ 7,712	\$ 8,882	\$ 22,267

See accompanying independent auditors' report

COUNTY OF VENTURA
COMBINING STATEMENT OF FUND NET ASSETS
INTERNAL SERVICE FUNDS
JUNE 30, 2003
(In Thousands)

General Insurance	Information Systems	General Services	Employee Benefit Insurance	Personnel Services	
					ASSETS
					Current assets:
\$ 38,285	\$ 10,720	\$ 3,761	\$ 2,325	\$ 142	Cash and investments (Note 4)
127	174	59	120	56	Receivables, net (Note 6)
350	2,106	1,731	7	161	Due from other funds (Note 7)
686	754	434	-	-	Inventories and other assets
-	-	451	-	-	Restricted assets
39,448	13,754	6,436	2,452	359	Total current assets
					Noncurrent assets:
					Capital assets (Note 8):
					Nondepreciable:
-	64	-	-	-	Land
-	67	-	-	-	Construction in progress
					Depreciable:
-	1,538	2,271	-	-	Structures and improvements
142	29,971	4,739	11	-	Equipment/Vehicles
(114)	(23,580)	(1,376)	(11)	-	Less accumulated depreciation
28	8,060	5,634	-	-	Total noncurrent assets
\$ 39,476	\$ 21,814	\$ 12,070	\$ 2,452	\$ 359	Total assets
					LIABILITIES
					Current liabilities:
\$ 243	\$ 654	\$ 2,237	\$ 31	\$ 11	Accounts payable
97	500	396	55	15	Short term compensated absences (Note 11)
160	327	233	31	16	Accrued liabilities (Note 9)
233	81	151	106	4	Due to other funds (Note 7)
-	792	220	-	-	Current portion of long-term liabilities (Note 11)
733	2,354	3,237	223	46	Total current liabilities
					Noncurrent liabilities:
-	32	-	-	-	Deferred revenue
39,631	-	-	150	-	Accrued insurance losses (Note 15)
-	-	129	-	-	Unamortized bond premium
102	629	437	58	50	Long term compensated absences (Note 11)
-	2,322	3,945	-	-	Noncurrent portion of long-term liabilities (Note 11)
39,733	2,983	4,511	208	50	Total noncurrent liabilities
40,466	5,337	7,748	431	96	Total liabilities
					NET ASSETS
28	4,946	1,920	-	-	Invested in capital assets, net of related debt
-	-	451	-	-	Restricted (Note 12)
(1,018)	11,531	1,951	2,021	263	Unrestricted
(990)	16,477	4,322	2,021	263	Total net assets
\$ 39,476	\$ 21,814	\$ 12,070	\$ 2,452	\$ 359	Total liabilities and net assets

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	Total	Public Works Services	Heavy Equipment	Transportation
<u>Operating Revenues:</u>				
Charges for services	\$ 146,866	\$ 30,888	\$ 1,920	\$ 8,975
Rents and royalties	117	-	-	-
Miscellaneous	437	-	-	399
Total operating revenues	<u>147,420</u>	<u>30,888</u>	<u>1,920</u>	<u>9,374</u>
<u>Operating Expenses:</u>				
Salaries and benefits	52,935	24,515	728	2,034
Services and supplies	58,057	5,190	1,378	4,707
Insurance premiums	7,935	94	5	31
Provision for insurance losses	28,453	-	-	-
Depreciation and amortization	7,420	69	535	3,276
Total operating expenses	<u>154,800</u>	<u>29,868</u>	<u>2,646</u>	<u>10,048</u>
Operating income (loss)	<u>(7,380)</u>	<u>1,020</u>	<u>(726)</u>	<u>(674)</u>
<u>Nonoperating revenues (expenses):</u>				
State and federal grants	64	-	-	-
Capital contributions	22	-	-	22
Gain (loss) from disposal of capital assets	(336)	(4)	1	(167)
Interest and investment income	1,171	53	45	36
Interest expense	(243)	-	-	-
Total nonoperating revenues (expenses)	<u>678</u>	<u>49</u>	<u>46</u>	<u>(109)</u>
Net income (loss) before transfers	<u>(6,702)</u>	<u>1,069</u>	<u>(680)</u>	<u>(783)</u>
Transfers in	3,837	46	874	2,237
Transfers out	<u>(335)</u>	<u>(36)</u>	<u>-</u>	<u>-</u>
Change in net assets	<u>(3,200)</u>	<u>1,079</u>	<u>194</u>	<u>1,454</u>
Net assets - beginning	<u>57,692</u>	<u>1,909</u>	<u>8,532</u>	<u>19,231</u>
Net assets - ending	<u>\$ 54,492</u>	<u>\$ 2,988</u>	<u>\$ 8,726</u>	<u>\$ 20,685</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

General Insurance	Information Systems	General Services	Employee Benefits Insurance	Personnel Services	
<u>\$ 30,886</u>	<u>\$ 30,176</u>	<u>\$ 40,170</u>	<u>\$ 3,224</u>	<u>\$ 627</u>	Operating Revenues:
-	-	117	-	-	Charges for services
-	-	-	38	-	Rents and royalties
<u>30,886</u>	<u>30,176</u>	<u>40,287</u>	<u>3,262</u>	<u>627</u>	Miscellaneous
					Total operating revenues
					Operating Expenses:
2,015	12,305	9,383	1,300	655	Salaries and benefits
2,408	14,387	29,346	452	189	Services and supplies
4,931	75	151	2,646	2	Insurance premiums
28,429	-	-	24	-	Provision for insurance losses
10	3,028	502	-	-	Depreciation and amortization
<u>37,793</u>	<u>29,795</u>	<u>39,382</u>	<u>4,422</u>	<u>846</u>	Total operating expenses
<u>(6,907)</u>	<u>381</u>	<u>905</u>	<u>(1,160)</u>	<u>(219)</u>	Operating income (loss)
					Nonoperating revenues (expenses):
-	-	64	-	-	State and federal grants
-	-	-	-	-	Capital contributions
-	(54)	(112)	-	-	Gain (loss) from disposal of capital assets
653	203	124	51	6	Interest and investment income
-	(51)	(192)	-	-	Interest expense
<u>653</u>	<u>98</u>	<u>(116)</u>	<u>51</u>	<u>6</u>	Total nonoperating revenues (expenses)
<u>(6,254)</u>	<u>479</u>	<u>789</u>	<u>(1,109)</u>	<u>(213)</u>	Net income (loss) before transfers
-	381	-	-	299	Transfers in
<u>(210)</u>	<u>-</u>	<u>-</u>	<u>(89)</u>	<u>-</u>	Transfers out
<u>(6,464)</u>	<u>860</u>	<u>789</u>	<u>(1,198)</u>	<u>86</u>	Change in net assets
<u>5,474</u>	<u>15,617</u>	<u>3,533</u>	<u>3,219</u>	<u>177</u>	Net assets - beginning
<u>\$ (990)</u>	<u>\$ 16,477</u>	<u>\$ 4,322</u>	<u>\$ 2,021</u>	<u>\$ 263</u>	Net assets - ending

COUNTY OF VENTURA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	Total	Public Works Services	Heavy Equipment	Transportation
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash receipts from customers	\$ 15,004	\$ 198	\$ 17	\$ 139
Cash receipts from other funds	132,275	30,334	1,683	8,854
Cash receipts from other sources	66	19	-	47
Cash paid to suppliers for goods and services	(47,179)	(1,799)	(489)	(3,361)
Cash paid to employees for services	(53,046)	(24,086)	(711)	(2,016)
Cash paid to other funds	(13,576)	(4,109)	(931)	(965)
Cash paid for insurance premiums	(6,792)	-	-	-
Cash paid for judgments and claims	(6,479)	-	-	-
Net cash provided by (used in) operating activities	20,273	557	(431)	2,698
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers received	3,837	46	874	2,237
Transfers paid	(335)	(36)	-	-
State and federal grant receipts	64	-	-	-
Net cash provided by (used in) noncapital financing activities	3,566	10	874	2,237
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital contributions	22	-	-	22
Acquisition and construction of fixed assets	(8,232)	-	(1,583)	(4,758)
Principal paid on capital debt	(989)	-	-	-
Interest paid on capital debt	(253)	-	-	-
Proceeds from sales of fixed assets	610	-	145	463
Net cash used in capital and related financing activities	(8,842)	-	(1,438)	(4,273)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and investment income received	1,211	49	60	36
Net cash provided by investing activities	1,211	49	60	36
Net increase (decrease) in cash and cash equivalents	16,208	616	(935)	698
Total cash and cash equivalents, beginning of the year	46,072	2,319	2,892	1,457
Total cash and cash equivalents, end of the year	\$ 62,280	\$ 2,935	\$ 1,957	\$ 2,155
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (7,380)	\$ 1,020	\$ (726)	\$ (674)
Adjustments to reconcile operating income (loss) to cash flows from operation activities:				
Depreciation and amortization	7,420	69	535	3,276
Decrease (increase) in:				
Accounts receivable	566	(25)	(1)	-
Due from other funds	(416)	(420)	(219)	18
Intergovernmental receivables	(352)	-	-	(352)
Inventories and other assets	(433)	-	-	9
Increase (decrease) in:				
Accounts payable	(1,175)	3	14	182
Other liabilities	275	-	-	275
Accrued liabilities	241	117	4	6
Due to other funds	(1,066)	(627)	(50)	(55)
Deferred revenue	112	84	-	-
Accrued insurance loss expense	22,028	-	-	-
Compensated absences	453	336	12	13
Net cash provided by (used in) operating activities	\$ 20,273	\$ 557	\$ (431)	\$ 2,698

See accompanying independent auditors' report

COUNTY OF VENTURA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

General Insurance	Information Systems	General Services	Employee Benefits Insurance	Personnel Services
\$ 992	\$ 1,923	\$ 8,299	\$ 3,223	\$ 213
30,152	28,374	32,495	117	266
-	-	-	-	-
(1,925)	(11,851)	(25,874)	(1,781)	(99)
(2,020)	(12,991)	(9,298)	(1,299)	(625)
(612)	(2,166)	(3,583)	(1,128)	(82)
(6,769)	-	-	(23)	-
(6,479)	-	-	-	-
<u>13,339</u>	<u>3,289</u>	<u>2,039</u>	<u>(891)</u>	<u>(327)</u>
-	381	-	-	299
(210)	-	-	(89)	-
-	-	64	-	-
<u>(210)</u>	<u>381</u>	<u>64</u>	<u>(89)</u>	<u>299</u>
-	-	-	-	-
-	(1,528)	(363)	-	-
-	(789)	(200)	-	-
-	(51)	(202)	-	-
-	-	2	-	-
<u>-</u>	<u>(2,368)</u>	<u>(763)</u>	<u>-</u>	<u>-</u>
631	229	132	67	7
<u>631</u>	<u>229</u>	<u>132</u>	<u>67</u>	<u>7</u>
13,760	1,531	1,472	(913)	(21)
<u>24,525</u>	<u>9,189</u>	<u>2,289</u>	<u>3,238</u>	<u>163</u>
<u>\$ 38,285</u>	<u>\$ 10,720</u>	<u>\$ 3,761</u>	<u>\$ 2,325</u>	<u>\$ 142</u>
\$ (6,907)	\$ 381	\$ 905	\$ (1,160)	\$ (219)
10	3,028	502	-	-
3	516	21	66	(14)
332	(599)	594	12	(134)
-	-	-	-	-
(226)	(127)	(89)	-	-
(1,850)	(34)	494	9	7
-	-	-	-	-
3	56	41	5	9
20	10	(468)	102	2
-	32	(4)	-	-
21,950	-	-	78	-
4	26	43	(3)	22
<u>\$ 13,339</u>	<u>\$ 3,289</u>	<u>\$ 2,039</u>	<u>\$ (891)</u>	<u>\$ (327)</u>

CASH FLOWS FROM OPERATING ACTIVITIES

Cash receipts from customers
Cash receipts from other funds
Cash receipts from other sources
Cash paid to suppliers for goods and services
Cash paid to employees for services
Cash paid to other funds
Cash paid for insurance premiums
Cash paid for judgments and claims
Net cash provided by (used in) operating activities

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Transfers received
Transfers paid
State and federal grant receipts
Net cash provided by (used in) noncapital financing activities

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from capital contributions
Acquisition and construction of fixed assets
Principal paid on capital debt
Interest paid on capital debt
Proceeds from sales of fixed assets
Net cash used in capital and related financing activities

CASH FLOWS FROM INVESTING ACTIVITIES

Interest and investment income received
Net cash provided by investing activities

Net increase (decrease) in cash and cash equivalents
Total cash and cash equivalents, beginning of the year,

Total cash and cash equivalents, end of the year

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)
Adjustments to reconcile operating income (loss) to cash flows from operation activities:
Depreciation and amortization
Decrease (increase) in:
Accounts receivable
Due from other funds
Intergovernmental receivables
Inventories and other assets
Increase (decrease) in:
Accounts payable
Other liabilities
Accrued liabilities
Due to other funds
Deferred revenue
Accrued insurance loss expense
Compensated absences
Net cash provided by (used in) operating activities

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FIDUCIARY FUNDS



COUNTY OF VENTURA

FIDUCIARY FUNDS

PENSION TRUST FUNDS

VCERA TRUST FUND

This fund is used to account for the financial operations of the Ventura County Employees' Retirement Association under the 1937 Retirement Benefit Act.

SUPPLEMENTAL RETIREMENT PLAN TRUST FUND

This fund is used to account for the supplemental retirement plan trust fund established for extra-help and other employees whose employment does not otherwise entitle them to retirement under the 1937 Act VCERA plan.

INVESTMENT TRUST FUND

The County Treasurer operates a single investment pool and provides fiscal services for various other governmental entities, such as special districts and school districts. This fund represents the external portion of the pool with the assets, primarily cash and investments, of these entities in the Treasurer's custody and the related liability of the County to disburse these monies on demand. The County follows procedures of GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools".

AGENCY FUNDS

Agency funds account for assets held for distribution by the County as an agent for various other funds and local governments.

COUNTY OF VENTURA
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 JUNE 30, 2003
 (In Thousands)

	<u>Total</u>	<u>VCERA Pension Trust</u>	<u>Supplemental Retirement Plan</u>
<u>ASSETS</u>			
Cash and investments (Note 4)	\$ 2,109,538	\$ 2,102,566	\$ 6,972
Receivables (net)			
Accounts	1	-	1
Employer Contributions	130	130	-
Employee Contributions	610	610	-
Interest and dividends	2,915	2,915	-
Security sales	13,776	13,776	-
Miscellaneous	883	883	-
Due from other funds (Note 7)	2	2	-
Total assets	<u>2,127,855</u>	<u>2,120,882</u>	<u>6,973</u>
<u>LIABILITIES</u>			
Accounts payable	2,351	2,351	-
Due to other funds (Note 7)	153	14	139
Security deposits payable	322	322	-
Security purchases payable	98,369	98,369	-
Collateral held for securities lent	52,916	52,916	-
Total liabilities	<u>154,111</u>	<u>153,972</u>	<u>139</u>
<u>NET ASSETS</u>			
Net assets held in trust for pension benefits	<u>\$ 1,973,744</u>	<u>\$ 1,966,910</u>	<u>\$ 6,834</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003
 (In Thousands)

	<u>Total</u>	<u>VCERA Pension Trust</u>	<u>Supplemental Retirement Plan</u>
<u>ADDITIONS</u>			
Contributions:			
Employer:			
Annual actuarially determined	\$ 117	\$ -	\$ 117
Other	5,384	5,384	-
Employee contributions	26,271	25,979	292
Total contributions	<u>31,772</u>	<u>31,363</u>	<u>409</u>
Net investment income:			
Net appreciation (depreciation) in			
fair value of investments	56,894	56,776	118
Interest income	19,039	19,031	8
Dividend income	4,847	4,847	-
Securities lending income	1,207	1,207	-
Real estate income, net	3,982	3,982	-
Investment expense	(5,543)	(5,543)	-
Net investment income	<u>80,426</u>	<u>80,300</u>	<u>126</u>
Total additions	<u>112,198</u>	<u>111,663</u>	<u>535</u>
<u>DEDUCTIONS</u>			
Benefit payments	95,231	95,001	230
Member refunds	2,895	2,895	-
Administrative expenses	2,412	2,246	166
Legal expenses	38	38	-
Total deductions	<u>100,576</u>	<u>100,180</u>	<u>396</u>
Change in net assets	11,622	11,483	139
Net assets - beginning	<u>1,962,122</u>	<u>1,955,427</u>	<u>6,695</u>
Net assets - ending	<u>\$ 1,973,744</u>	<u>\$ 1,966,910</u>	<u>\$ 6,834</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
SCHEDULE OF FIDUCIARY NET ASSETS
INVESTMENT TRUST FUND
JUNE 30, 2003
(In Thousands)

	Total	Special Districts under Local Board	School Districts	Independent Special Districts
<u>ASSETS</u>				
Cash and investments (Note 4)	\$ 698,757	\$ 71,630	\$ 590,491	\$ 36,636
Accounts Receivables	2,788	781	355	1,652
Due from other funds (Note 7)	935	86	816	33
Total assets	<u>702,480</u>	<u>72,497</u>	<u>591,662</u>	<u>38,321</u>
<u>LIABILITIES</u>				
Accounts payable	2,567	181	-	2,386
Due to other funds (Note 7)	1,990	33	3	1,954
Total liabilities	<u>4,557</u>	<u>214</u>	<u>3</u>	<u>4,340</u>
<u>NET ASSETS</u>				
Net assets held in trust for investment pool participants	<u>\$ 697,923</u>	<u>\$ 72,283</u>	<u>\$ 591,659</u>	<u>\$ 33,981</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
SCHEDULE OF CHANGES IN FIDUCIARY NET ASSETS
INVESTMENT TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	<u>Total</u>	<u>Special Districts under Local Board</u>	<u>School Districts</u>	<u>Independent Special Districts</u>
<u>ADDITIONS</u>				
Contributions:				
Contributions to investment pool	\$ 2,108,813	\$ 136,855	\$ 1,805,561	\$ 166,397
Total contributions	<u>2,108,813</u>	<u>136,855</u>	<u>1,805,561</u>	<u>166,397</u>
Net investment income:				
Net depreciation in fair value of investments	(1,612)	(62)	(1,430)	(120)
Interest income	<u>15,759</u>	<u>1,286</u>	<u>13,528</u>	<u>945</u>
Net investment income	<u>14,147</u>	<u>1,224</u>	<u>12,098</u>	<u>825</u>
Total additions	<u>2,122,960</u>	<u>138,079</u>	<u>1,817,659</u>	<u>167,222</u>
<u>DEDUCTIONS</u>				
Distribution from investment pool	<u>1,996,224</u>	<u>111,333</u>	<u>1,718,491</u>	<u>166,400</u>
Total deductions	<u>1,996,224</u>	<u>111,333</u>	<u>1,718,491</u>	<u>166,400</u>
Change in net assets	126,736	26,746	99,168	822
Net assets - beginning	<u>571,187</u>	<u>45,537</u>	<u>492,491</u>	<u>33,159</u>
Net assets - ending	<u>\$ 697,923</u>	<u>\$ 72,283</u>	<u>\$ 591,659</u>	<u>\$ 33,981</u>

See accompanying independent auditors' report

COUNTY OF VENTURA
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2003
 (In Thousands)

	Balance June 30, 2002	Additions	Deletions	Balance June 30, 2003
<u>County Funds</u>				
<u>ASSETS</u>				
Cash and investments (Note 4)	\$ 4,915	\$ 145,664	\$ 145,535	\$ 5,044
Interest and dividends	10	11	10	11
Due from other funds (Note 7)	-	14	11	3
Total assets	<u>\$ 4,925</u>	<u>\$ 145,689</u>	<u>\$ 145,556</u>	<u>\$ 5,058</u>
<u>LIABILITIES</u>				
Accrued liabilities	<u>\$ 4,925</u>	<u>\$ 145,746</u>	<u>\$ 145,613</u>	<u>\$ 5,058</u>
Total liabilities	<u>\$ 4,925</u>	<u>\$ 145,746</u>	<u>\$ 145,613</u>	<u>\$ 5,058</u>

See accompanying independent auditors' report

**CAPITAL ASSETS USED
IN THE OPERATION
OF GOVERNMENTAL FUNDS**



COUNTY OF VENTURA

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

The following schedules present only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

COUNTY OF VENTURA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)

	<u>2003</u>
Governmental funds capital assets:	
Land and improvements	\$ 208,255
Structures and improvements	270,764
Equipment	56,972
Vehicles	21,513
Infrastructure	340,951
Construction in progress	110,749
Total governmental funds capital assets	<u>\$ 1,009,204</u>
Investments in governmental funds capital assets by source:	
Federal grants and entitlements	\$ 40,723
State grants	1,454
Grants from other governmental units	11,468
General fund revenues	346,978
Special revenue fund revenues	333,440
Donations	275,141
Total governmental funds capital assets	<u>\$ 1,009,204</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

COUNTY OF VENTURA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2003
(In Thousands)

FUNCTION AND ACTIVITY	TOTAL	LAND AND IMPROVEMENTS	STRUCTURES	EQUIPMENT	VEHICLES	INFRASTRUCTURE	CONSTRUCTION IN PROGRESS
General government:							
General administration	\$ 111,047	\$ 3,653	\$ 97,255	\$ 5,664	\$ 82	\$ -	\$ 4,393
Finance	-	-	-	-	-	-	-
Property management	10,153	-	563	9,502	33	-	55
Plant acquisition	69,894	-	-	-	-	-	69,894
Other	4,073	1,508	-	38	-	-	2,527
Total general government	<u>195,167</u>	<u>5,161</u>	<u>97,818</u>	<u>15,204</u>	<u>115</u>	<u>-</u>	<u>76,869</u>
Public protection:							
Judicial	14,582	-	11,649	2,560	-	-	373
Police protection	41,645	54	15,384	24,245	103	-	1,859
Detention and correction	106,181	201	100,150	5,749	77	-	4
Fire	50,812	2,858	18,468	4,205	20,980	-	4,301
Flood control and soil and water conservation	232,447	5,235	159	515	-	217,098	9,440
Protective inspection	161	5	85	29	42	-	-
Other	19,543	136	17,877	788	-	-	742
Total public protection	<u>465,371</u>	<u>8,489</u>	<u>163,772</u>	<u>38,091</u>	<u>21,202</u>	<u>217,098</u>	<u>16,719</u>
Public ways and facilities	<u>334,728</u>	<u>194,192</u>	<u>2,222</u>	<u>62</u>	<u>-</u>	<u>123,853</u>	<u>14,399</u>
Health and sanitation services	<u>4,938</u>	<u>179</u>	<u>2,219</u>	<u>2,344</u>	<u>196</u>	<u>-</u>	<u>-</u>
Public assistance:							
Administration	312	-	-	312	-	-	-
Other	383	-	-	383	-	-	-
Total public assistance	<u>695</u>	<u>-</u>	<u>-</u>	<u>695</u>	<u>-</u>	<u>-</u>	<u>-</u>
Education:	<u>8,305</u>	<u>234</u>	<u>4,733</u>	<u>576</u>	<u>-</u>	<u>-</u>	<u>2,762</u>
Total capital assets allocated to functions	<u>\$ 1,009,204</u>	<u>\$ 208,255</u>	<u>\$ 270,764</u>	<u>\$ 56,972</u>	<u>\$ 21,513</u>	<u>\$ 340,951</u>	<u>\$ 110,749</u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

COUNTY OF VENTURA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
JUNE 30, 2003
(In Thousands)

FUNCTION AND ACTIVITY	BALANCE JUNE 30, 2002 (as restated)	ADDITIONS	DELETIONS	NET TRANSFERS	BALANCE JUNE 30, 2003
General government:					
General administration	\$ 140,293	\$ 9,245	\$ 122	\$ (38,369)	\$ 111,047
Finance	3,392	-	-	(3,392)	-
Property management	10,098	55	-	-	10,153
Plant acquisition	-	32,455	4,178	41,617	69,894
Other	1,425	2,527	-	121	4,073
Total general government	<u>155,208</u>	<u>44,282</u>	<u>4,300</u>	<u>(23)</u>	<u>195,167</u>
Public protection:					
Judicial	15,370	2,477	3,274	9	14,582
Police protection	31,300	18,917	15,235	6,663	41,645
Detention and correction	112,540	2,085	1,781	(6,663)	106,181
Fire	45,436	6,430	1,054	-	50,812
Flood control & soil & water conservation	228,858	3,607	18	-	232,447
Protective inspection	119	-	-	-	119
Other	19,200	515	143	13	19,585
Total public protection	<u>452,823</u>	<u>34,031</u>	<u>21,505</u>	<u>22</u>	<u>465,371</u>
Public ways and facilities	<u>324,812</u>	<u>11,666</u>	<u>1,750</u>	<u>-</u>	<u>334,728</u>
Health and sanitation services	<u>5,331</u>	<u>105</u>	<u>498</u>	<u>-</u>	<u>4,938</u>
Public assistance:					
Administration	122	27	9	172	312
Other	487	78	10	(172)	383
Total public assistance	<u>609</u>	<u>105</u>	<u>19</u>	<u>-</u>	<u>695</u>
Education:					
Library services	<u>7,761</u>	<u>624</u>	<u>80</u>	<u>-</u>	<u>8,305</u>
Total education	<u>7,761</u>	<u>624</u>	<u>80</u>	<u>-</u>	<u>8,305</u>
Total governmental funds capital assets	<u>\$ 946,544</u>	<u>\$ 90,813</u>	<u>\$ 28,152</u>	<u>\$ (1)</u>	<u>\$ 1,009,204</u>

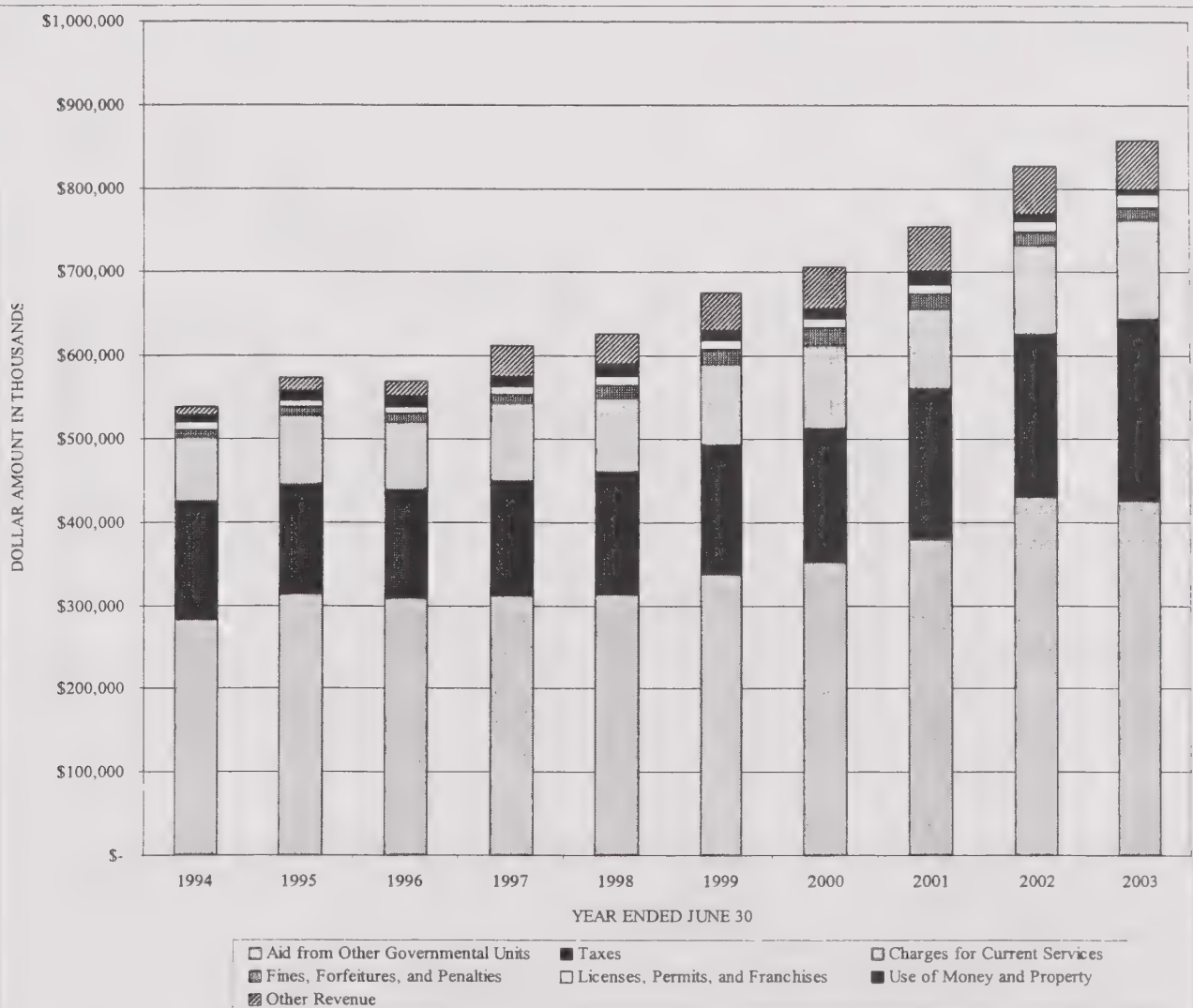
This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets. The total governmental additions exceed capital outlay by \$24,476, primarily due to \$24,444 in transfers from construction in progress to equipment and structures recorded as additions and deletions.

STATISTICAL SECTION (UNAUDITED)



COUNTY OF VENTURA
REVENUES BY SOURCE
ALL GOVERNMENTAL FUND TYPES (1)
TEN YEARS ENDED JUNE 30, 2003
(In Thousands)
(UNAUDITED)

YEAR ENDED JUNE 30	TAXES	LICENSES PERMITS, AND FRANCHISES	FINES, FORFEITURES, AND PENALTIES	USE OF MONEY AND PROPERTY	AID FROM OTHER GOVERNMENTAL UNITS	CHARGES FOR CURRENT SERVICES	OTHER REVENUE	TOTAL
1994	\$ 143,422	\$ 10,069	\$ 9,001	\$ 8,496	\$ 283,168	\$ 74,512	\$ 9,419	\$ 538,087
1995	\$ 132,964	\$ 7,659	\$ 11,351	\$ 11,562	\$ 313,276	\$ 81,730	\$ 15,832	\$ 574,374
1996	\$ 130,969	\$ 7,430	\$ 11,924	\$ 12,752	\$ 308,976	\$ 79,712	\$ 17,006	\$ 568,769
1997	\$ 137,540	\$ 8,216	\$ 11,532	\$ 12,517	\$ 312,450	\$ 93,082	\$ 37,567	\$ 612,904
1998	\$ 147,741	\$ 11,001	\$ 16,292	\$ 14,346	\$ 312,935	\$ 88,084	\$ 36,734	\$ 627,133
1999	\$ 154,697	\$ 10,364	\$ 19,202	\$ 13,340	\$ 338,665	\$ 95,542	\$ 43,923	\$ 675,733
2000	\$ 162,583	\$ 10,914	\$ 21,111	\$ 12,305	\$ 351,999	\$ 98,038	\$ 49,767	\$ 706,717
2001	\$ 181,573	\$ 10,206	\$ 18,622	\$ 17,581	\$ 379,750	\$ 94,371	\$ 53,074	\$ 755,177
2002	\$ 196,035	\$ 11,730	\$ 16,870	\$ 9,781	\$ 430,019	\$ 105,827	\$ 56,160	\$ 826,422
2003	\$ 219,097	\$ 15,001	\$ 15,465	\$ 5,736	\$ 426,021	\$ 117,352	\$ 59,341	\$ 858,013

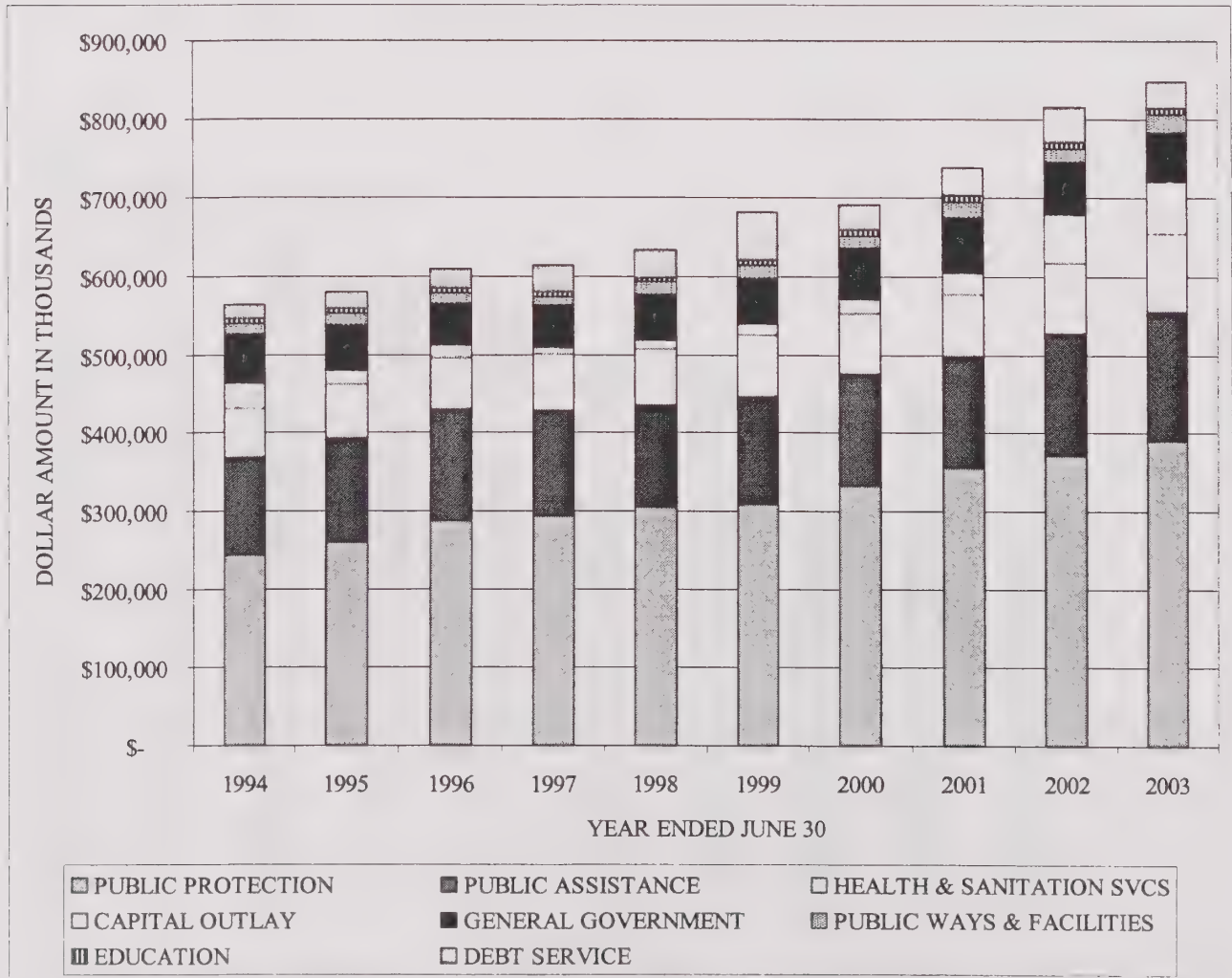


(1) Includes General Fund and all Special Revenue, Debt Service, Capital Projects, and Permanent Funds.

Source: Ventura County Auditor-Controller's Office

COUNTY OF VENTURA
EXPENDITURES BY FUNCTION
ALL GOVERNMENTAL FUND TYPES (1)
TEN YEARS ENDED JUNE 30, 2003
(In Thousands)
(UNAUDITED)

YEAR ENDED JUNE 30	GENERAL GOVERNMENT	PUBLIC PROTECTION	PUBLIC WAYS AND FACILITIES	HEALTH AND SANITATION SERVICES	PUBLIC ASSISTANCE	EDUCATION	CAPITAL OUTLAY	DEBT SERVICE	TOTAL
1994	\$ 61,925	\$ 244,001	\$ 13,090	\$ 60,596	\$ 126,225	\$ 6,601	\$ 33,608	\$ 18,482	\$ 564,528
1995	\$ 57,772	\$ 260,084	\$ 14,176	\$ 68,144	\$ 134,379	\$ 7,050	\$ 17,581	\$ 20,804	\$ 579,990
1996	\$ 52,758	\$ 288,067	\$ 12,275	\$ 65,301	\$ 143,463	\$ 6,623	\$ 15,920	\$ 25,376	\$ 609,783
1997	\$ 54,791	\$ 294,474	\$ 10,253	\$ 71,006	\$ 136,061	\$ 6,060	\$ 7,353	\$ 34,224	\$ 614,222
1998	\$ 57,815	\$ 306,184	\$ 16,199	\$ 71,501	\$ 129,836	\$ 6,010	\$ 10,759	\$ 35,344	\$ 633,648
1999 (2)	\$ 58,188	\$ 309,001	\$ 15,290	\$ 77,514	\$ 138,782	\$ 6,093	\$ 14,856	\$ 61,965	\$ 681,689
2000	\$ 67,245	\$ 332,860	\$ 14,215	\$ 75,934	\$ 144,454	\$ 7,237	\$ 16,892	\$ 32,678	\$ 691,515
2001	\$ 71,024	\$ 355,287	\$ 18,881	\$ 77,435	\$ 144,175	\$ 8,070	\$ 27,561	\$ 36,333	\$ 738,766
2002	\$ 69,009	\$ 372,040	\$ 15,766	\$ 89,943	\$ 156,043	\$ 8,350	\$ 59,948	\$ 45,115	\$ 816,214
2003	\$ 62,749	\$ 390,907	\$ 22,460	\$ 98,817	\$ 165,311	\$ 8,230	\$ 66,337	\$ 33,932	\$ 848,743



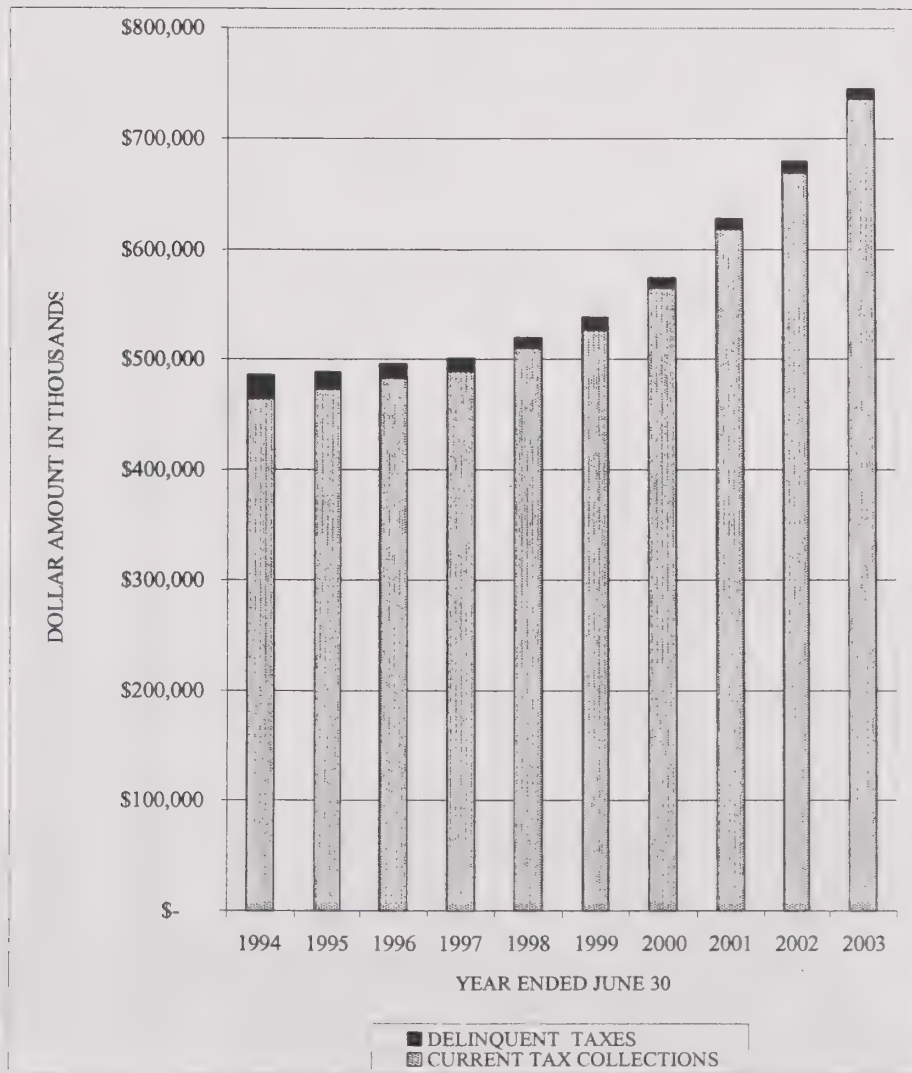
(1) Includes General Fund and all Special Revenue, Debt Service, Capital Projects, and Permanent Funds.

(2) 1999 Debt Service includes \$28,232,000 one-time principal payment due to retirement of PFC I and PFC III.

Source: Ventura County Auditor-Controller's Office

COUNTY OF VENTURA
PROPERTY TAX LEVIES AND COLLECTIONS
TEN YEARS ENDED JUNE 30, 2003
(In Thousands)
(UNAUDITED)

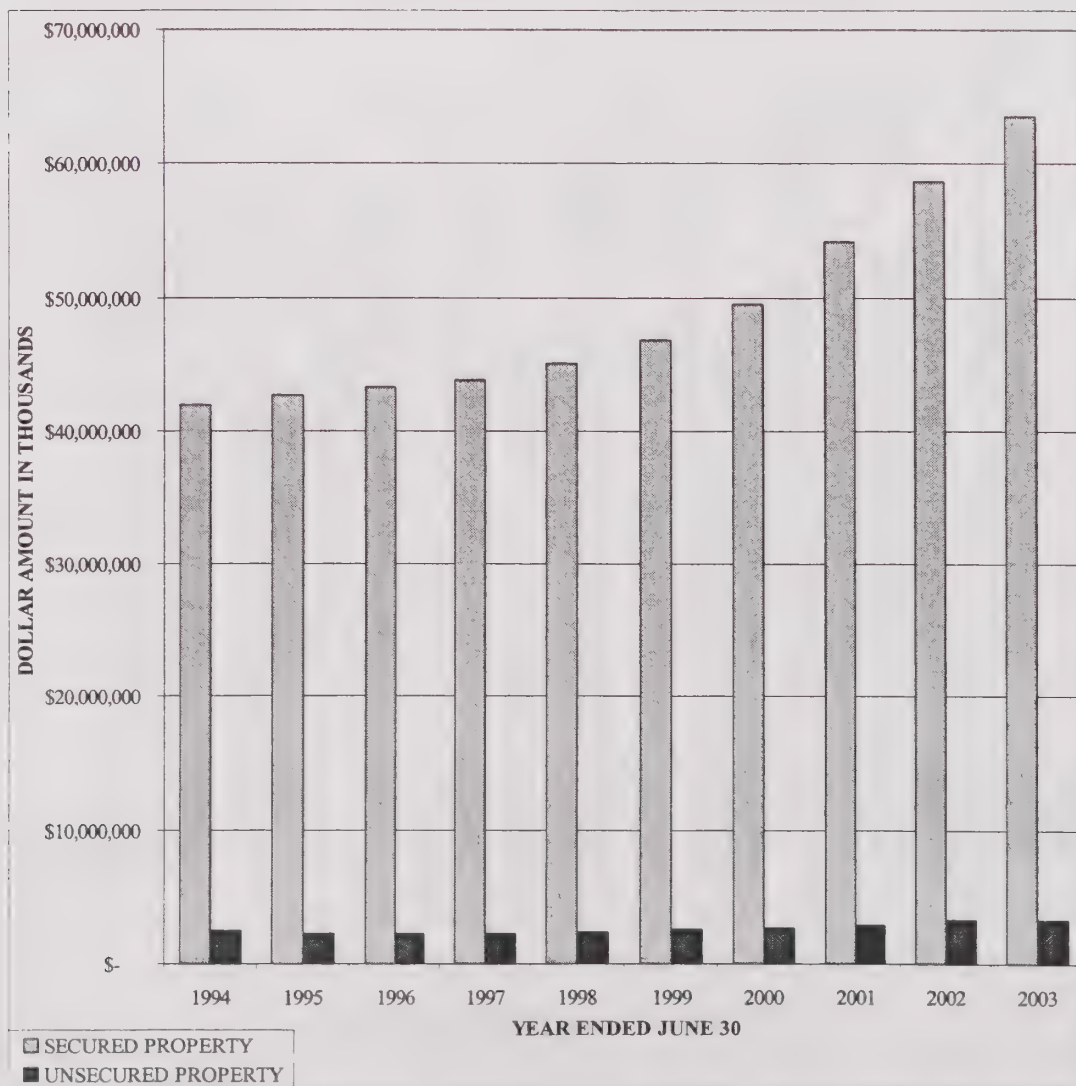
YEAR ENDED JUNE 30	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TOTAL TAX LEVY
1994	\$ 486,383	\$ 463,824	95.4	\$ 22,559	4.6
1995	\$ 489,392	\$ 472,894	96.6	\$ 16,498	3.4
1996	\$ 496,672	\$ 483,091	97.3	\$ 13,581	2.7
1997	\$ 501,797	\$ 489,594	97.6	\$ 12,203	2.4
1998	\$ 520,616	\$ 509,713	97.9	\$ 10,903	2.1
1999	\$ 539,141	\$ 526,333	97.6	\$ 12,808	2.4
2000	\$ 574,444	\$ 564,614	98.3	\$ 9,830	1.7
2001	\$ 627,553	\$ 617,453	98.4	\$ 10,100	1.6
2002	\$ 679,821	\$ 668,926	98.4	\$ 10,895	1.6
2003	\$ 745,363	\$ 735,445	98.7	\$ 9,918	1.3



COUNTY OF VENTURA
ASSESSED VALUE
OF TAXABLE PROPERTY
TEN YEARS ENDED JUNE 30, 2003
(In Thousands)
(UNAUDITED)

YEAR ENDED JUNE 30	SECURED PROPERTY ASSESSED VALUE	UNSECURED PROPERTY ASSESSED VALUE	TOTAL ASSESSED VALUE
1994	\$ 41,948,789	\$ 2,461,980	\$ 44,410,769
1995	\$ 42,708,299	\$ 2,257,582	\$ 44,965,881
1996	\$ 43,282,520	\$ 2,317,807	\$ 45,600,327
1997	\$ 43,855,746	\$ 2,258,688	\$ 46,114,434
1998	\$ 45,068,893	\$ 2,425,801	\$ 47,494,694
1999	\$ 46,798,426	\$ 2,615,665	\$ 49,414,091
2000	\$ 49,491,147	\$ 2,666,951	\$ 52,158,098
2001	\$ 54,213,286	\$ 2,927,920	\$ 57,141,206
2002	\$ 58,662,702	\$ 3,307,261	\$ 61,969,963
2003	\$ 63,560,907	\$ 3,318,345	\$ 66,879,252

NOTE: Assessments are at full value in accordance with Section 135 of the Revenue and Taxation Code.



COUNTY OF VENTURA
PROPERTY TAX RATES AND DISTRIBUTION OF GENERAL LEVY PROPERTY TAXES
DIRECT AND OVERLAPPING GOVERNMENTS
TEN YEARS ENDED JUNE 30, 2003
(In Thousands)
(UNAUDITED)

PROPERTY TAX RATES							
PER \$100 OF							
YEAR ENDED	ASSESSED VALUATION		SPECIAL			SCHOOL	
JUNE 30	LOW	HIGH	CITIES	DISTRICTS	COUNTY	DISTRICTS (1)	TOTAL
1994 (2)	1.000000	1.441874	7.64%	18.88%	17.99%	55.49%	100%
1995	1.000000	1.393164	7.67%	18.65%	18.01%	55.67%	100%
1996	1.000000	1.392075	7.64%	18.64%	17.96%	55.76%	100%
1997	1.000000	1.384278	7.60%	18.74%	17.90%	55.76%	100%
1998	1.000000	1.371358	8.21%	18.73%	17.88%	55.18%	100%
1999	1.000000	1.385931	8.39%	18.60%	17.87%	55.14%	100%
2000	1.000000	1.218139	8.44%	18.63%	17.87%	55.06%	100%
2001	1.000000	1.231617	8.54%	18.65%	17.95%	54.86%	100%
2002	1.000000	1.231617	8.63%	18.65%	17.90%	54.82%	100%
2003	1.000000	1.228727	8.63%	18.63%	17.92%	54.82%	100%

The County is divided into approximately 2,461 tax rate areas, which are unique combinations of various jurisdictions serving a specific geographic area. The above tax rates, which include levies for general obligation bonds and special assessments, represent the low and high tax rates levied within each tax rate area.

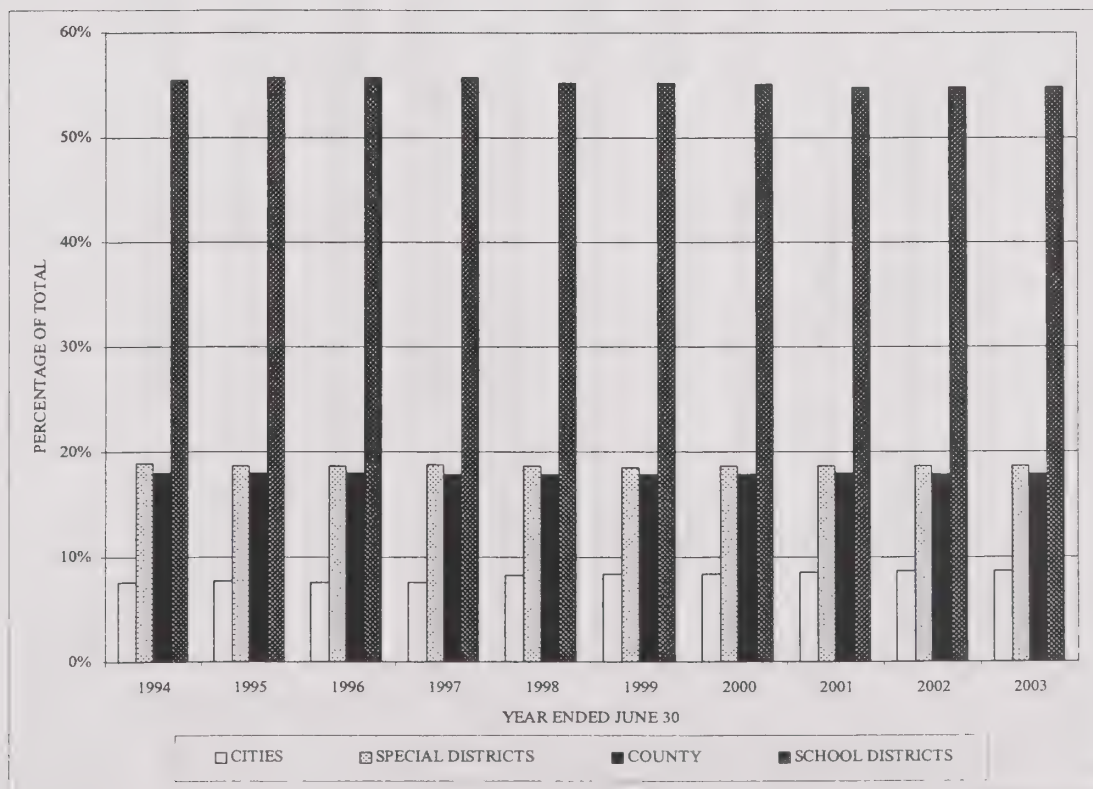
The above allocation percentages are for general levies only and exclude general obligation bonds and special assessments.

The passage of Proposition 13 on June 6, 1978, enacted Article XIII(A) of the State Constitution. This prohibits the levying of any tax rate, except for voter approved bonded debt, in excess of a general tax rate of 1 percent of assessed value. The proceeds of this tax are shared by all overlapping local government entities.

(1) Includes Superintendent of Schools

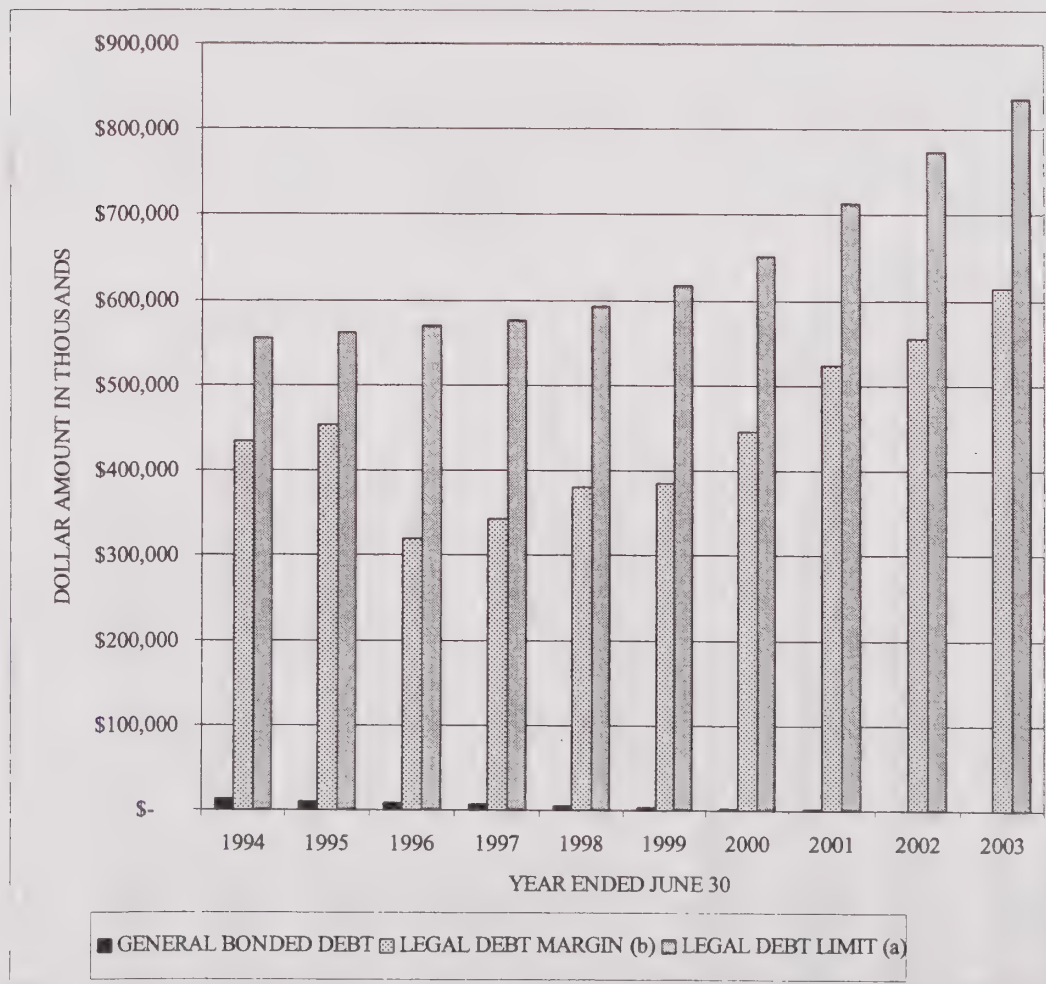
(2) The State required increased distribution of taxes to schools with corresponding reductions to other entities beginning with tax shifts in 1992-93 and 1993-94.

Source: Ventura County Auditor-Controller's Office



COUNTY OF VENTURA
GENERAL BONDED DEBT AND LEGAL DEBT LIMIT
TEN YEARS ENDED JUNE 30, 2003
(In Thousands)
(UNAUDITED)

YEAR ENDED JUNE 30	ESTIMATED POPULATION	TOTAL ASSESSED VALUATION	LEGAL DEBT LIMIT (a)	LEGAL DEBT MARGIN (b)	GENERAL BONDED DEBT	GENERAL BONDED DEBT TO ASSESSED VALUE	GENERAL BONDED DEBT PER CAPITA
1994	708	\$ 44,410,769	\$ 555,135	\$ 433,770	\$ 13,402	0.00030	\$ 18.93
1995	721	\$ 44,965,881	\$ 562,074	\$ 454,288	\$ 10,190	0.00023	\$ 14.13
1996	716	\$ 45,600,327	\$ 570,004	\$ 319,369	\$ 8,395	0.00018	\$ 11.72
1997	717	\$ 46,114,434	\$ 576,430	\$ 343,747	\$ 6,495	0.00014	\$ 9.06
(c) 1998	726	\$ 47,494,694	\$ 593,684	\$ 380,826	\$ 4,555	0.00010	\$ 6.27
1999	735	\$ 49,414,091	\$ 617,676	\$ 385,771	\$ 3,010	0.00006	\$ 4.10
2000	748	\$ 52,158,098	\$ 651,976	\$ 445,455	\$ 1,805	0.00003	\$ 2.41
2001	765	\$ 57,141,206	\$ 714,265	\$ 524,194	\$ 1,255	0.00002	\$ 1.64
2002	780	\$ 61,969,963	\$ 774,625	\$ 555,806	\$ 665	0.00001	\$ 0.85
2003	784	\$ 66,879,252	\$ 835,991	\$ 613,421	\$ 340	0.000005	\$ 0.43



(a) The legal debt limit is set by statute at 1.25 percent of total assessed valuation.

(b) The legal debt margin is the legal debt limit reduced by all long-term bonds, certificates of participation and loans payable.

(c) Revised based upon updated report from State of California, Demographic Research Unit.

Sources: Ventura County Auditor-Controller's Office and California Department of Finance

COUNTY OF VENTURA
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
 FOR GENERAL BONDED DEBT TO TOTAL GOVERNMENTAL EXPENDITURES
 TEN YEARS ENDED JUNE 30, 2003
 (In Thousands)
 (UNAUDITED)

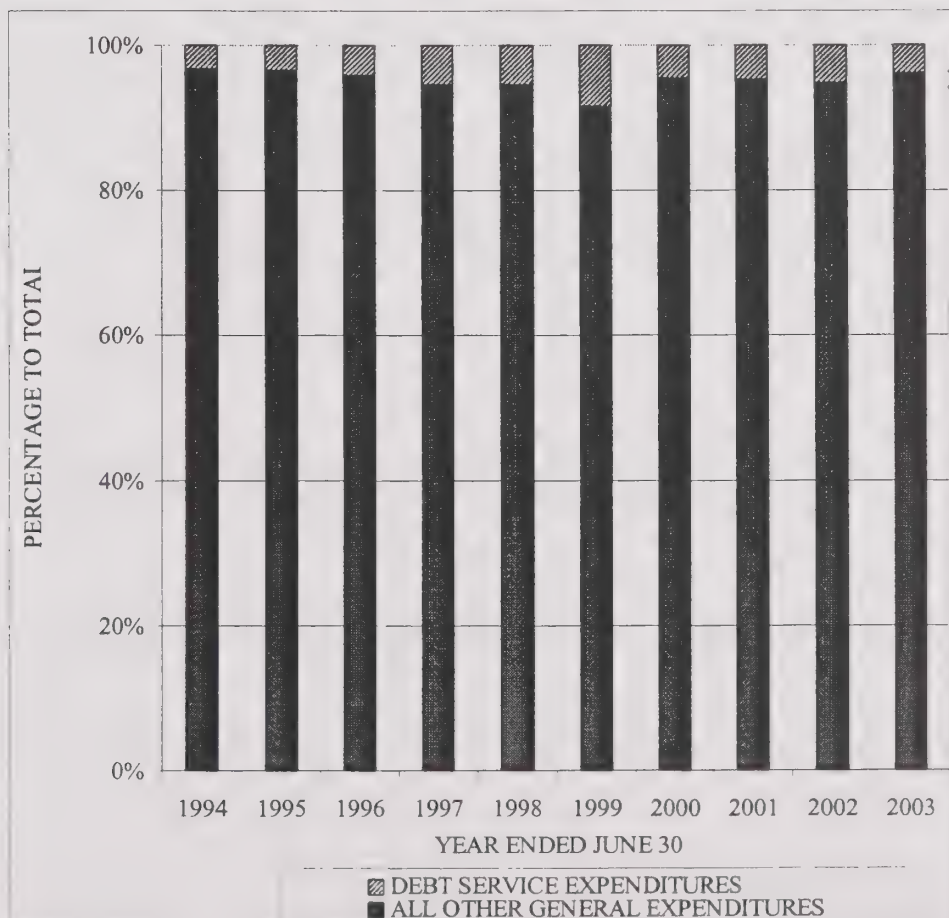
FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL DEBT SERVICE (1)	TOTAL GENERAL EXPENDITURES (2)	RATIO OF DEBT SERVICE TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
1994	\$ 10,865	\$ 7,617	\$ 18,482	\$ 564,528	3.3%
1995	\$ 11,747	\$ 9,057	\$ 20,804	\$ 579,990	3.6%
1996	\$ 12,792	\$ 12,584	\$ 25,376	\$ 609,783	4.2%
1997	\$ 16,171	\$ 18,053	\$ 34,224	\$ 614,222	5.6%
1998	\$ 17,857	\$ 17,487	\$ 35,344	\$ 633,648	5.6%
1999 (3)	\$ 39,587	\$ 22,378	\$ 61,965	\$ 681,689	9.1%
2000	\$ 19,233	\$ 13,445	\$ 32,678	\$ 691,515	4.7%
2001	\$ 21,787	\$ 14,546	\$ 36,333	\$ 738,766	4.9%
2002	\$ 33,275	\$ 11,840	\$ 45,115	\$ 816,214	5.5%
2003	\$ 21,915	\$ 12,017	\$ 33,932	\$ 848,473	4.0%

(1) Includes debt service for General Fund short-term borrowings and all debt service in the Debt Service Funds. General obligation and lease revenue bonds reported in the proprietary fund have been excluded

(2) Includes General Fund and all Special Revenue, Debt Service, Capital Projects, and Permanent Funds.

(3) 1999 Principal includes \$28,232,000 one-time principal payment due to retirement of PFC I and PFC III.

Source: Ventura County Auditor-Controller's Office



COUNTY OF VENTURA
CONSTRUCTION AND BANK DEPOSITS
TEN YEARS ENDED JUNE 30, 2003
(UNAUDITED)

YEAR ENDED JUNE 30	COMMERCIAL CONSTRUCTION	<u>RESIDENTIAL CONSTRUCTION</u>		BANK DEPOSITS (b)
	VALUE (a) (In Thousands)	NUMBER OF UNITS (a)	VALUE (a) (In Thousands)	(In Thousands)
1994	\$ 76,179	1,945	\$ 198,923	\$ 4,235,286
1995	\$ 106,072	2,305	\$ 181,739	\$ 4,151,251
1996	\$ 155,762	2,346	\$ 227,050	\$ 3,425,696
1997	\$ 206,749	2,304	\$ 246,332	\$ 6,477,957
1998	\$ 241,206	2,607	\$ 191,737	\$ 6,842,846
1999	(c)	3,977	(c)	\$ 7,147,592
2000	\$ 365,132	4,180	\$ 431,938	\$ 7,373,216
2001	\$ 200,808	3,782	\$ 498,260	\$ 7,934,198
2002	\$ 269,727	2,826	\$ 421,194	\$ 8,721,314
2003	\$ 159,034	3,421	\$ 418,932	\$ 9,771,188

(a) Sources:

Construction Industry Research Board for number of units.

County of Ventura Assessor's Office for construction values.

(b) State Banking Department through 1996; FDIC Website www.fdic.gov

(c) Information was not available as of report date.

COUNTY OF VENTURA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2003
(UNAUDITED)

	PERCENTAGE APPLICABLE TO COUNTY OF VENTURA	DEBT JUNE 30, 2003
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>		
Metropolitan Water District	4.162	\$ 18,491,558
Ventura County Flood Control District, Zone No. 3	100.00	295,000
College, School, High School, and Unified School Districts	100.00 (a)	536,445,861
Ventura County Waterworks Districts (#1 and #16)	100.00	45,000
1915 Act Bonds	100.00	65,561,419
Ojai Valley Sanitation District	100.00	90,000
Community Facilities Districts	100.00	97,725,435
TOTAL GROSS DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	(b)	718,654,273
Less: Ventura County Waterworks District self-supporting bonds		25,000
TOTAL NET DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	(b)	718,629,273
<u>DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:</u>		
Ventura County Pension Obligations	100.00	89,300,000
Ventura County Public Facilities Corporation	100.00	10,570,000
Ventura County Public Financing Authority	100.00	72,840,000
Cities and City Building Authorities	100.00	179,664,690
School Authorities	100.00 (a)	70,617,875
Ventura County Superintendent of Schools	100.00	2,020,000
County Water District Certificates of Participation	100.00	1,073,110
Camarillo Sanitary District Certificates of Participation	100.00	8,469,514
Recreation and Park Districts	100.00	1,915,000
TOTAL GROSS DIRECT AND OVERLAPPING BONDED DEBT	(b)	436,470,189
Less: City of Thousand Oaks Lease Revenue self-supporting bonds		4,830,000
Camarillo Sanitary District Certificates of Participation		8,469,514
TOTAL NET DIRECT AND OVERLAPPING BONDED DEBT	(b)	423,170,675
GROSS COMBINED TOTAL DEBT		\$ 1,155,124,462
NET COMBINED TOTAL DEBT		\$ 1,141,799,948

Ratios to assessed valuation:

Total gross direct and overlapping tax and assessment debt	1.73%
Total net direct and overlapping tax and assessment debt	1.71%

(a) All 100 percent except Las Virgenes Joint Unified School District (3.900%).

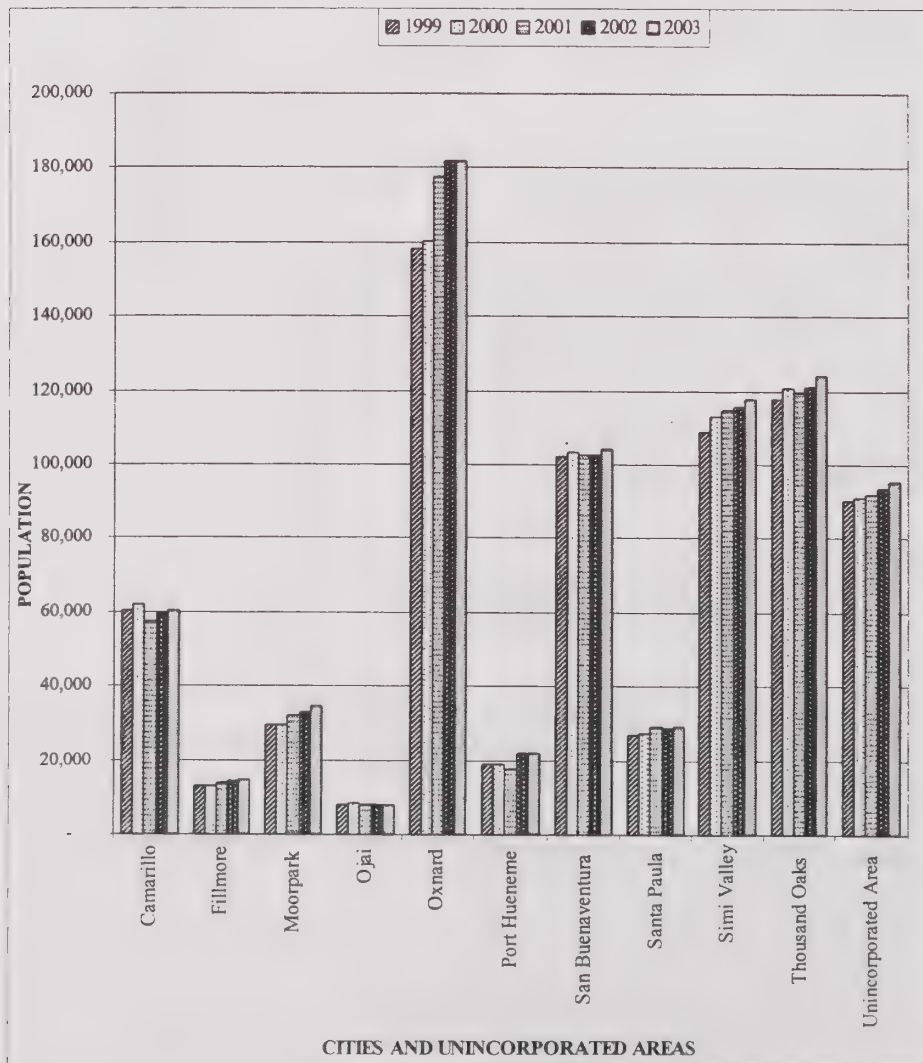
(b) Excludes revenue, mortgage revenue and tax allocation bonds, non-bonded capital lease obligations, tax exempt commercial paper, and tax and revenue anticipation notes.

Source : California Municipal Statistics, Inc., San Francisco and Ventura County Auditor-Controller's Office

COUNTY OF VENTURA
POPULATION BY CITY
FIVE-YEAR COMPARISON AS OF JUNE 30, 2003
(UNAUDITED)

	1999	2000	2001	2002	2003
Camarillo	60,385	62,187	57,349	59,487	60,515
Fillmore	13,197	13,260	14,096	14,400	14,690
Moorpark	29,589	29,727	32,151	33,032	34,529
Ojai	8,211	8,258	7,970	7,913	7,991
Oxnard	158,250	160,305	177,700	182,027	181,763
Port Hueneme	18,896	18,991	17,766	21,854	21,794
San Buenaventura	102,319	103,505	102,574	102,346	104,259
Santa Paula	27,123	27,255	29,303	28,732	28,962
Simi Valley	108,926	113,023	114,837	115,533	117,671
Thousand Oaks	117,573	120,744	119,411	120,975	123,986
Unincorporated Area	90,098	90,984	92,017	93,790	95,150
Total	734,567	748,239	765,174	780,089	791,310

Source:
California Department of Finance
Demographic Research Unit



COUNTY OF VENTURA
TEN LARGEST PROPERTY TAXPAYERS RANKED BY ASSESSED VALUE
FOR THE FISCAL YEAR ENDED JUNE 30, 2003
(In Thousands)
(UNAUDITED)

NAME	TYPE OF BUSINESS	GROSS ASSESSED VALUE	PERCENTAGE OF TOTAL GROSS ASSESSED VALUE
Amgen, Inc	Biotechnology	\$ 880,197	1.32%
Verizon California Inc.	Telecommunications	311,001	0.47%
So. California Edison Co.	Utility	303,145	0.45%
Proctor-Gamble Paper Products	Manufacturing	246,117	0.37%
Aera Energy LLC	Oil field operations	171,276	0.26%
Vintage Petroleum Inc.	Oil field operations	168,663	0.25%
Janss Marketplace LLC	Regional Shopping Center	136,429	0.20%
Pacific Bell and Subsidiaries	Telecommunications	132,652	0.20%
Baxter Healthcare	Biotechnology	139,788	0.21%
The Oaks Shopping Center	Regional Shopping Center	140,526	0.21%
Total attributable to ten largest property taxpayers		<u>\$ 2,629,794</u>	<u>3.94%</u>
Total gross assessed value		<u>\$ 66,879,252</u>	<u>100.00%</u>

Source: Ventura County Treasurer-Tax Collector's Office

COUNTY OF VENTURA
DEMOGRAPHIC AND MISCELLANEOUS STATISTICAL DATA
AS OF JUNE 30, 2003
(UNAUDITED)

The State Legislature approved the formation of Ventura County on March 22, 1872, effective January 1, 1873. The County of Ventura was created out of the southeasterly portion of Santa Barbara County.

The County of Ventura is bounded on the east by Los Angeles County; on the north by Kern County; on the northwest by Santa Barbara County; and on the south and southwest by the Pacific Ocean, with a coastline of approximately 42 miles.

Form of Government:	General Law County, governed by a five member Board of Supervisors
County Seat:	San Buenaventura, California
Area of County:	Approximately 1,873 square miles
Lowest Point:	Sea Level
Highest Point:	Mount Pinos, 8,831 feet
Mean Temperature:	60.9 degrees
Mean Precipitation:	13.09 inches
Fiscal Year:	July 1 through June 30
Number of Cities:	Ten

Population:	Census June 1, 1890	10,071	Census April 1, 1960	199,138
	Census June 1, 1900	14,367	Census April 1, 1970	368,497
	Census April 15, 1910	18,347	Census April 1, 1980	529,899
	Census January 1, 1920	28,724	Census April 1, 1990	669,016
	Census April 1, 1930	54,976	Census April 1, 2000	753,197
	Census April 1, 1940	69,685	Est. January 1, 2003	791,310
	Census April 1, 1950	114,647		

(Source: US Department of Commerce, Bureau of Census)

County Employees:	June 30, 2003	7,762
Number of employees per thousand population		9.8

Employment Distribution:		
	Service Industries	35.1%
	Retail Trade	11.6%
	Government	15.3%
	Manufacturing	12.5%
	Agriculture, Food Production	7.3%
	Wholesale Trade	3.9%
	Construction and Mining	4.8%
	Finance, Insurance, Real Estate	7.5%
	Transportation, Utilities	2.0%
	Total	<u>100.0%</u>

Civilian Unemployment Rate	5.2%
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(Source: State of California, Labor Market Information Division of the California Employment Development Department, as of July 2003)

Fire Protection:	Fire Stations	31
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Education:	Number of Elementary School Districts	11
	Number of Secondary School Districts	2
	Number of Unified School Districts	7
	Number of Community College Districts	1
	Number of Ventura County Offices	1
	Number of State Universities	1
	(Source: Ventura County Superintendent of Schools)	

Parks:	Number of Parks:	26
	Number of Land Acres:	5,854

Airports:	Number of Airports:	2
	Number of Acres:	866

Harbors:	Number of Harbors:	1
	Number of Acres:	316

(Source: County of Ventura)

COUNTY OF VENTURA
SALARIES AND SURETY BONDS
OF ELECTED COUNTY OFFICIALS
AS OF JUNE 30, 2003
(UNAUDITED)

<u>OFFICIALS</u>	<u>POSITION</u>	<u>ANNUALIZED SALARY (a)</u>	<u>SURETY BOND</u>
Steve Bennett	Supervisor, First District	\$ 89,633	\$ 25,000
Linda Parks	Supervisor, Second District	\$ 94,115 (b)	\$ 25,000
Kathy I. Long	Supervisor, Third District	\$ 94,115	\$ 25,000
Judy Mikels	Supervisor, Fourth District	\$ 94,115	\$ 25,000
John K. Flynn	Supervisor, Fifth District	\$ 94,115	\$ 25,000
Dan Goodwin	Assessor	\$ 127,612	\$ 250,000
Christine L. Cohen	Auditor-Controller	\$ 137,170	\$ 250,000
Philip J. Schmit	Clerk and Recorder	\$ 117,144	\$ 50,000
Gregory D. Totten	District Attorney	\$ 161,787	\$ 50,000
Bob Brooks	Sheriff	\$ 172,715	
	Civil		\$ 100,000
	Criminal		\$ 100,000
Lawrence Matheney	Treasurer - Tax Collector	\$ 118,680	\$ 800,000
	Public Administrator		
	Public Guardian		

(a) Based upon June 2003 base salary.

(b) Actual salary for 6 months was \$47,057

Source: Ventura County Auditor-Controller's Office

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